

The NATIONAL UNDERWRITER

Financial Statements, December 31, 1940

Admitted Assets

	Illinois Fire Insurance Company	Millers National Insurance Company
Cash in Banks and on Hand.....	\$151,426.28	\$1,240,393.76
Government Bonds (United States)	531,885.00	2,823,648.00
Government Bonds (Canada)		176,527.00
Railway Bonds		416,019.00
Public Utility Bonds.....		485,126.00
Stocks		1,039,873.00
Premiums in Course of Collection.....	49,853.07	590,727.70
Reinsurance Recoverable on Losses.....	1,022.61	11,161.87
Total Funds Convertible Into Cash on Short Notice.....	\$734,186.96	\$6,783,478.33
State Bonds		90,657.00
School, Municipal and County Bonds.....		122,636.00
Industrial and Other Bonds.....		162,320.00
Real Estate		25,404.83
Accrued Interest on Investments.....	2,910.01	22,703.59
Total Assets	\$737,096.97	\$7,207,199.75

Liabilities

Unpaid Losses, Net.....	\$ 9,873.64	\$ 350,843.32
Reserve for Unearned Premiums	177,559.39	3,479,297.75
Reserve for Accrued Taxes	3,000.00	70,000.00
Reserve for Accrued Expenses	5,000.00	100,000.00
Total Liabilities	\$195,433.03	\$4,000,141.07
Permanent Fund		1,000,000.00
Capital	200,000.00	
Reserve for Contingencies.....		800,000.00
Surplus Over All Liabilities.....	341,663.94	1,407,056.68
Total Surplus As Regards Policyholders.....	\$541,663.94	\$3,207,056.68

Comments

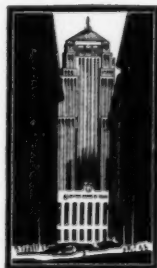
ILLINOIS FIRE is unusually liquid with 99.6%, or practically all of its assets, convertible into cash on short notice.

Compare its \$737,096.97 in assets with its actual liabilities of \$195,433.03 to see for yourself the soundness of this Affiliated Company. You will obtain a ratio of 3.7 to 1.

More than two-third of Illinois Fire's assets is policyholders' surplus.

MILLERS NATIONAL is well prepared to meet its "quick" liabilities because, as shown above, it could convert \$6,783,478.33, or 94.1% of its assets into cash on short notice. This Company is actually 169% liquid!

Notice, too, that 44.5% of Millers National's assets is actually surplus. This spells S-E-C-U-R-I-T-Y.



MILLERS NATIONAL INSURANCE CO. ILLINOIS FIRE INSURANCE CO.

HOME OFFICE: 137 W. JACKSON BLVD., CHICAGO

Please forward a detailed copy of your financial statement () Millers National. () Illinois Fire. N.U. 2-41.

NAME _____

ADDRESS _____

SERVICE HEADQUARTERS FOR ALERT AGENTS

THURSDAY, FEBRUARY 27, 1941



9:00 A.M. In seeking new business, this insurance agent explained to an attorney, that he could have quick and dependable service on Court bonds.



9:15 A.M. The attorney needs an attachment bond and must have it right away.



9:20 A.M. The agent telephones The Travelers Bond man, explains the situation and requests immediate action.



9:35 A.M. The attorney, the agent, The Travelers Bond man and the attorney's client are quickly brought together and the attorney makes sure that the necessary papers are properly signed.



9:45 A.M. The attorney expresses his appreciation for the satisfactory service rendered by the agent. "This is just the kind of service I need," he said, "and I'll call you whenever I need bonds."

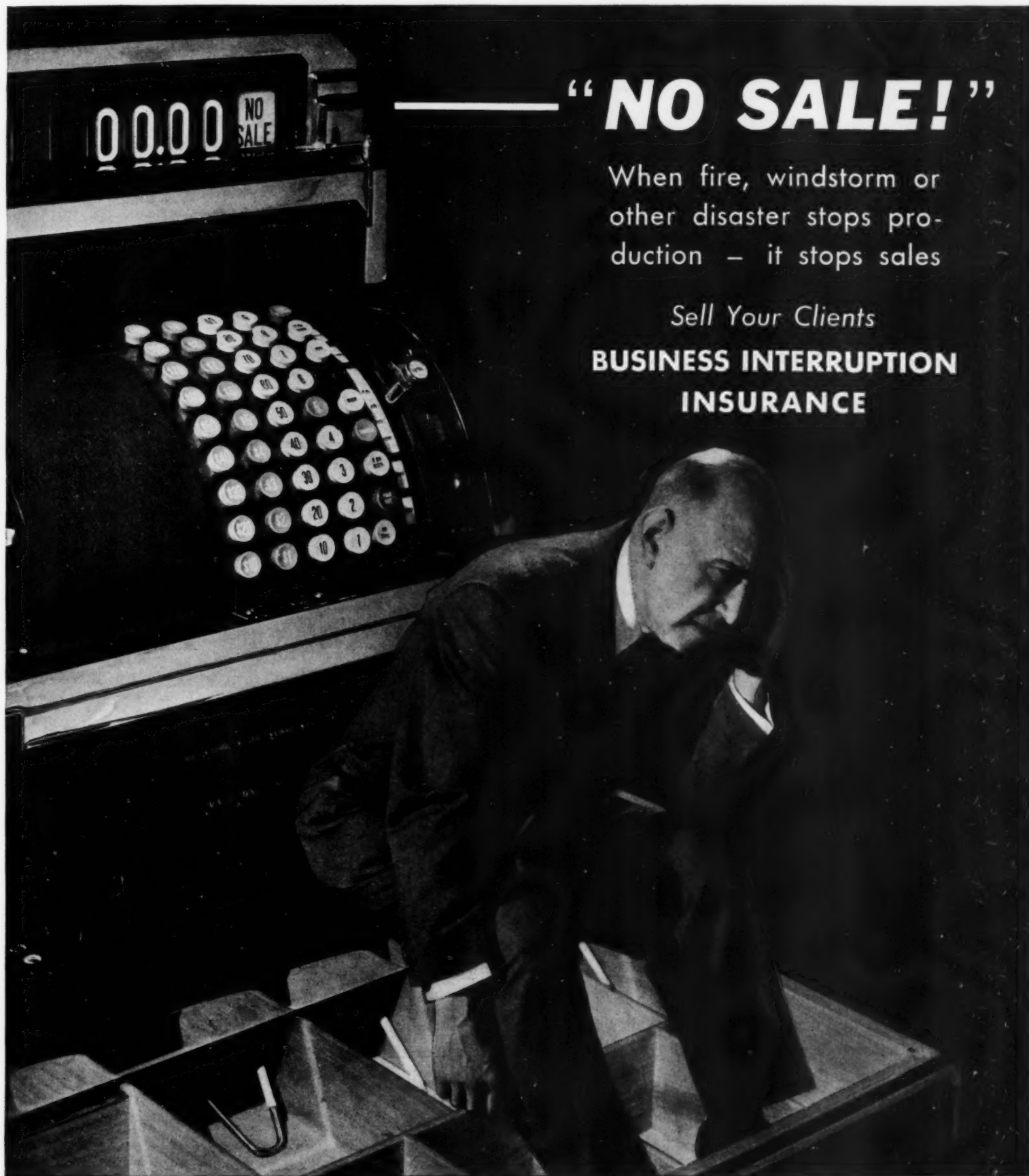


10:00 A.M. The satisfied attorney files bond for approval.

===== *A Travelers Bond Specialist in Your Territory Is Always Ready to Help You Secure New Business* =====

THE TRAVELERS INDEMNITY COMPANY

HARTFORD, CONNECTICUT



“NO SALE!”

When fire, windstorm or other disaster stops production — it stops sales

Sell Your Clients
BUSINESS INTERRUPTION INSURANCE

America Fore Insurance

THE CONTINENTAL INSURANCE COMPANY
FIDELITY-PHENIX FIRE INSURANCE COMPANY
AMERICAN EAGLE FIRE INSURANCE COMPANY
FIRST AMERICAN FIRE INSURANCE COMPANY

Eighty Maiden Lane.



and Indemnity Group

NIAGARA FIRE INSURANCE COMPANY
MARYLAND INSURANCE COMPANY OF DELAWARE
THE FIDELITY AND CASUALTY COMPANY

BERNARD M. CULVER, President
FRANK A. CHRISTENSEN, Vice-President

New York, N.Y.

CHICAGO

SAN FRANCISCO

NEW YORK

ATLANTA

MONTREAL



175 W. JACKSON BLVD. CHICAGO

"the address that dominates its field"

Nowhere else in the country will you find such a great centralization of the insurance business and its allied lines in one area. The Insurance Exchange Building houses the offices that write 90 per cent of the fire and casualty insurance premiums produced in Chicago. It is the recognized headquarters for agents, brokers and company officials. This set-up is unmatched in any other city in country which makes it only natural for company officials,

branch office managers and leading agencies to feel that it is only logical and natural for them to be located in the Insurance Exchange Building.

Your insurance office in Chicago should be in the Insurance Exchange, in the very midst of all this insurance activity. Let us show you how the address—175 West Jackson Boulevard can actually mean "dollars to you." Full details gladly given on request.

R. C. Swanson, Manager

INSURANCE EXCHANGE BUILDING

175 West Jackson Boulevard
Chicago

A CITY OF INSURANCE UNDER ONE ROOF

The NATIONAL UNDERWRITER

Forty-fifth Year—No. 9

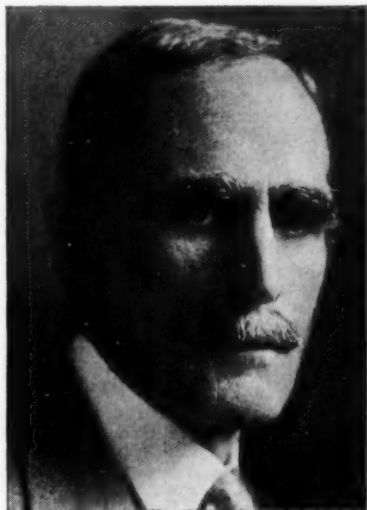
CHICAGO, CINCINNATI, NEW YORK AND SAN FRANCISCO, THURSDAY, FEBRUARY 27, 1941

\$4.00 Year, 20 Cents a Copy

North America Replies to Attack by W. H. Bennett

President Platt Says Participating Move Was Urged by Agents

John O. Platt, president of the North America, has sent a message to the agents of that company, prompted by a rather hostile article written by Walter H. Bennett concerning the move of the North America to amend its charter to



JOHN O. PLATT

permit the issuance of participating policies. Mr. Bennett, who is general counsel of the National Association of Insurance Agents, prepared the article for the "American Agency Bulletin."

"We propose, if our stockholders agree," Mr. Platt wrote, "to broaden the charter of this company so that it can issue participating policies if and when it seems advisable to do so. There is no present intention to take advantage of this facility, should it be approved by our stockholders, as we hope it will be."

Agents Urged Action

"About a year ago at a meeting of the agents of one of our companies a resolution was passed urging the company at once to vigorously explore the field of participating policies. We feel sure that the agents of the North America, as well as of our other companies, will perceive the wisdom of the companies putting themselves and their agents in position to meet certain classes of competition."

"Mr. Bennett points out that the company has 28 service offices in the United States and four in Canada. This is true. They are all of great service to

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Defense Production Increases Values

Bulske Points to Increase in Hazard and Loss Frequency

INDIANAPOLIS—M. E. Bulske, chief inspector National Inspection Company, spoke on "The Armament Program and the Fire Insurance Business," before a meeting here sponsored by the educational committee of the Fire Underwriters Association of Indiana. With the increased industrial activity plant, equipment and stock values are bound to rise to unusual heights, creating new values which should be reflected in a general rise in premium income, notwithstanding the plague of rate reductions, some of which may possibly be justified but many certainly unwarranted, Mr. Bulske pointed out.

"When production is substantially stepped up," Mr. Bulske stated, "we find a commensurate increase in hazard and loss frequency. Not only are there increased hazards from the multiplication of machines, multiple shifts, new employees, some inadequately trained, new products and experimentation, but also from the pressure for production which usually overshadows everything, including the most casual safety measures. Old plants are rehabilitated, some not adapted to their occupancy, much temporary construction is used and temporary expedients are resorted to."

Must Watch U&O

The effect of shortages in materials and the difficulty of replacing indispensable machinery and equipment was covered by Mr. Bulske. As a consequence chances are that use and occupancy loss can easily run total. It is extremely important, he said, to consider each risk on its own merits. He referred to a number of plants in which the destruction of a single machine or mechanical unit would mean an indefinite shutdown. There are mills which are using German-made machinery which their operators regard as irreplaceable in this country. Certain raw materials are now becoming scarce. In some cases forehanded operators have stocks of raw material stored up for a year or more operation while others are down to a few weeks' supply.

FBI Watches Machines

In some plants essential machines are under continual scrutiny of FBI men. However, in not a few industries and commercial enterprises use and occupancy may still be written without fear of the present possibilities of shortage. Department stores and certain types of woodworking plants are examples.

"Knowledge of the personnel of a plant is of prime consideration and the insured should be questioned on this score," Mr. Bulske said. "The underwriter at the home office will be obliged to consider adjustment of his lines in relation to the increased hazard and accelerated activity in plants affected by defense production, measured against the rate he is receiving. He will also have to be alert for abnormal hazards in connection with riot and civil commotion, vandalism, malicious mischief and war risks, generally."

General Fire Lines Little Ahead

Greatest Activity in Field in Which Factory Associa- tions Are Interested

NEW YORK—Whatever may be the developments in the succeeding months of the year, the pronounced increase in premium income confidently anticipated by fire companies with the dawn of 1941 has failed to materialize as yet. Numerous large lines, covering for the most part plants engaged in war preparedness work, have been written but these are mainly carried by the factory associations and factory mutuals and the average rate is extremely low.

There has been little, if any increase in inventories of retail merchants although sales are sharply higher. Thus far merchants have been able to get merchandise promptly and without difficulty, and hence are not accumulating reserve stocks. Whether they will be able to continue replenishing their goods as speedily as now, remains to be seen. Should the government invoke its priority right and declare classes of goods now readily available, as non-essential, merchants might and probably would be tempted to accumulate supplies as speedily as possible.

Use and occupancy at present is a buyers and not a sellers market, underwriters report. Plant owners appreciate that should fire destroy any substantial part of their establishments, and notably the machinery used the replacement period would be far greater under existing conditions than would have been true a year ago; and hence are applying for use and occupancy policies. While certain companies argue the time is opportune for developing this line and are aggressively soliciting it, others are proceeding cautiously, contending that existing rates do not properly measure the hazard, and are satisfied to pass up the business at least until there is an upward revision in rates.

Insurance people say that the new plants that are being constructed and the plant additions that are being put up to handle war and navy department requirements are of the best construction and fire prevention safeguards are all that could be asked. Indeed, the government occasionally seems to be requiring more complete protection than even the insurance companies would ask. Even where reinforced concrete construction occurs, the government insists upon sprinklers being installed. The factory associations and the factory mutuals have two forms of malicious mischief and vandalism endorsements. One is a broad warlike coverage and sells for 6 cents to those engaged in war industries and 3 cents to those in non-war industries. It is reported that about 75 percent of those industries engaged in defense work, purchase the broad form. Very few of the non-war industries buy the cover.

Kavanaugh Zone 5 Chairman

Commissioner Read of Oklahoma, secretary National Association of Insurance Commissioners, has announced the appointment of Commissioner Kavanaugh of Colorado to succeed Harrison of Arkansas as chairman of Zone 5.

Michigan Agents Gather in Lansing for Mid-year

Act Against Compulsory Auto Bill—Favor Personal Property Floater

LANSING, MICH.—The Michigan Association of Insurance Agents at its annual mid-year meeting here attended by over 250 agents, went on record as vigorously opposing a compulsory automobile insurance law after hearing a careful analysis by a special study committee.

The agents voted overwhelmingly in favor of legalizing the personal property floater, now outlawed in Michigan, and they pledged support of the national defense program. Enthusiastic approval was given the recommendation of Governor Van Wagener, a luncheon guest with Commissioner Berry, that the insurance department be provided a more liberal appropriation to enable it to carry on supervisory functions more efficiently.

Dreifus Submits Report

The automobile study committee's report, submitted by Chairman A. I. Dreifus, Woodward agency, Detroit, marked the high point of interest. It points to the weaknesses in the Massachusetts compulsory law and the strong points in the New Hampshire responsibility act. It is to be printed in pamphlet form.

Commissioner Berry promised to give his utmost toward a fair administration of the department.

E. L. Stephenson, Chicago manager Associated Aviation Underwriters, stressed the new field for coverage lying in the rapid popularization of aviation and the creation of thousands of private flyers through the government's civilian pilot training program. The number of flyers and of private craft in every community, affording prospect for varied coverages, has multiplied within the past year, he said.

Should Overhaul Methods

The advisability of overhauling agency methods to counteract the downward premium trend, was stressed by Oscar Beling, superintendent agency systems Royal-Liverpool groups. He gave 10 test questions which every agent should ask himself. This self-inquisition should disclose the necessity for backing up the agency's selling force with well-trained office employees, good telephone personalities, neat and effective letter heads, and a well-equipped office with adequate record systems. He particularly recommended the line folder for every customer as a business builder, disclosing as it does all of the pertinent information about each client and revealing opportunity for providing additional coverages. Accounting records, he said, should give a complete and up-to-date

(CONTINUED ON PAGE 42)

Inland Marine Form Big Aid to Industry

Functions Flexibly in Situation Created by Defense Program, Priorities

Government war preparedness orders and priorities are creating a situation in writing insurance on industrial plants and business concerns which can be filled properly only by some form of inland marine coverage, Urban M. Lelli, general agent inland marine department Phoenix of Hartford group, Chicago, told the Cook County Field Club at a meeting this week.

Much processing in industry is farmed out, and it may be that the raw materials will go through six or seven steps in various locations in the hands of different processors, he said, before going back to the ultimate manufacturer and distributor. For this reason, a general coverage contract which requires showing values in various locations usually cannot provide proper insurance on such risks, he said. Inland marine insurance is flexible and covers such values without reporting on the change of location.

Follows Material Everywhere

In the processing there are added labor costs which are important items in the accumulating values. Inland marine insurance can step in and follow the processing risk out of the assured's premises into and through the premises of various processors while the raw material grows into a finished or semi-finished product, and finally back to the assured's premises again.

The government on its orders prescribes coverage must be provided in any transit situation from the time the material leaves the premises to go through processing until and even after it is returned. This applies to the work on cantonments, armaments and munitions.

He noted that the defense work eventually will affect in some way most of the country's industries. For instance, in the textile industry many plants are being tied up with government orders. Much of the necessary processing must be farmed out. The textile industry needs an insurance contract sufficiently flexible to follow the merchandise and give complete coverage wherever it goes. The textile industry, for instance, will have accumulated holdings of raw stock in the gray mill against which it will draw. From the gray mill, the material goes through the bleach mill at another location, perhaps with a different owner, then to the printer, embosser and through other steps, finally to the folding plant.

Huge Values Frequently Occur

Mr. Lelli pointed out that due to congestion at some points there might be accumulated orders and much higher valuations than normal which would require very large limits. The textile industry cannot afford to pay the insurance price on these large limits which are not always used in full. That is where inland marine insurance functions particularly well.

Mr. Lelli also discussed the personal property floater. He said only 49 percent of losses under this form have occurred in the home, according to the experience on over 6,000 risks as shown in the loss files of 12 large companies. The average man is much underinsured insofar as many perils covered under the personal property floater are concerned. He attempts to guess in advance what hazards will strike his property.

Mr. Lelli emphasized that selling the personal property floater makes more money for producers, even though in Chicago and Cook county, for example, the brokerage on fire business is 25 percent whereas on the personal property floater it is only 15 percent. He

Former Commissioner Now Brigade Commander



RAY YENTER

DES MOINES—Brig. Gen. Ray Yenter of Des Moines, former Iowa commissioner, has been inducted into active military service as commander of the 75th field artillery brigade at Camp Forrest, near Nashville, Tenn.

He was commissioner from 1926-1931, later was counsel of the Yeomen Mutual Life and more recently has been vice-president and counsel of the Merchants Mutual Bonding and counsel for other insurance interests.

He was a captain in the world war and prior to his induction into the regular army was brigadier general in command of the 113th Iowa and 114th Kansas cavalry.

said this commission percentage is so indelibly fixed in the producers' minds that he cannot see a sale of a floater on a risk will result in increased dollars of commission to him.

Floater Profitable to Sell

He gave an example of an average risk carrying fire and extended coverage and burglary insurance with a total premium of about \$40. Occasionally, a personal effects policy might be added which would bring the total within a few dollars of the \$73.87 premium rate for the personal property floater, he said. Yet the coverage still would be less than that under the floater. He emphasized that 15 percent of the \$73.87 is \$11 whereas 25 percent of \$40 is only \$10.

Mr. Lelli suggested the budget or "stagger" plan which offers advantages in selling the floater as compared with the ordinary finance plan, for at the end of the sixth year the assured is ahead, having saved one-half of one year's premium and the interest charge.

L. R. Fisher, special agent Travelers, club president, presided. The club's educational plans for the season were discussed.

Complete Louisiana Annual Program

Executive Committee Meeting Starts Off Three-Day Parley at Monroe

The program for the Louisiana Association of Insurance Agents' annual meeting in Monroe, March 26-28, has been completed. Registration will start at noon on the first day followed by an executive committee meeting at 4 p. m. In the evening the Louisiana Blue Goose will show a motion picture of the Sugar Bowl football game which will be followed by a dance. Headquarters are at the Virginia Hotel. Program details for the second and third days follow:

WEDNESDAY, MARCH 26

4 p. m.—Executive committee meeting. The Louisiana Blue Goose will show a motion picture of the Sugar Bowl game to be followed by a dance for all registrants.

THURSDAY, MARCH 27

9:45 a. m.—Call to order, Charles P. Gould, president.

Invocation, Rev. Ernest Holloway, First Presbyterian Church of Monroe.

Welcome, Mayor Benoit of Monroe. Response, W. M. Daniel, Jr., Shreveport.

Address by President Gould. Introduction of executive committeemen and distinguished guests.

Greetings from field men, Alvin Shepherd, general agent, New Orleans.

"Systematic Advertising by Agencies and Companies," David C. Gibson, vice-president Maryland Casualty.

"What I expect of my insurance agent after telling him one year ago what I expected of him at that time," J. H. Purcell, editor Marshall, Tex., "News-Messenger."

"On Guard," R. W. Forshay, Anita, Ia., vice-president National association.

Afternoon

2:15 p. m.—"Tomorrow in the Making," B. H. Wooten, president Federal Home Loan Bank of Little Rock, Ark.

"The Forgotten Line," J. Dillard Hall, assistant agency director U. S. F. & G.

"The Functions of the Insurance Commission and Necessity for the Agents' Cooperation," G. A. Kimball, Louisiana Insurance Commission.

Technicolor film produced and sponsored by the Automobile Theft Bureau.

Executive session for local agents only. Report of administration, Mr. Gould.

Open discussion.

The Ouachita Insurance Exchange will be host at a cocktail party.

Dinner and entertainment. "Successful Worry," Tom Collins, Kansas City Journal.

FRIDAY, MARCH 28

10:15 a. m.—"Speaking of Coverage—The Personal Property Floater," D. H. Davies, superintendent Inland Marine department Phoenix Assurance.

"Highway Safety," Steve Alford, superintendent department of state police, Baton Rouge.

"The Value of Accident and Health Insurance to Multiply Line Agent," T. E. Kearns, Alabama special agent Hartford Accident.

"Automobile Coverages," M. Stockton, assistant general agent southern department Hartford Fire, Atlanta.

Election of officers.

Several Turkey Cover Plans Are Developed

MINNEAPOLIS—One of the few channels that is now open for writing turkey insurance is Farm Owners Mutual of St. Paul which has set up a special department in the Baker building here. It is understood that about 90 percent of the liability assumed by this company on turkey insurance is being reinsured with London Lloyds. Farm Owners Mutual operates what is known as the poultry underwriters department for handling this line.

The arrangements with Farm Owners Mutual for handling turkey insurance were made through the Worthington National Bank of Worthington, Minn. M. C. Leonard, cashier of that bank, handles the insurance work and last year Mr. Leonard's agency insured 450,000 turkeys with Connecticut Fire which was the pioneer in writing this type of coverage. Connecticut Fire has decided to withdraw from the field. Mr. Leonard got in touch with all the stock companies operating in the territory and reports that none of them seem to be the least interested.

Farm Owners Mutual, although a very small company, has arranged with Lloyds to furnish adequate reinsurance so that, according to Mr. Leonard, the raisers and financing agencies feel that there is plenty of protection in case of any losses that may arise. The coverage will be substantially the same as in the past except that the rate has been increased from 3 cents to 6½ cents per bird. The home office of Farm Owners Mutual is in St. Paul, but the poultry underwriters department is located in the Baker building, Minneapolis.

The Honeymead Products Company, large commercial feed company of Cedar Rapids, Ia., expects to finance several hundred thousand turkeys throughout the northwest this year. They have made arrangements to handle their insurance requirements through an eastern company, but Mr. Leonard expresses the belief that this insurer is not interested in writing insurance for the independent growers. It is confining its coverage to growers who are being financed through the Honeymead company.

MINN. AGENTS DISCUSS ISSUE

MINNEAPOLIS—Turkey insurance, from the country agent's standpoint, will get an airing at the mid-year conference of the Minnesota Association of Insurance Agents at St. Paul March 5-6. This subject, now a very live one in Minnesota, will come up for discussion at the rural agents' breakfast March 6.

Country agents have been clamoring for definite information from company men as to a market for this business and are finding it difficult to get. After the Armistice day losses most of the companies that have been writing turkey coverage indicated that they would not take it on this year. However, early this month the Charles W. Sexton Co., large Minneapolis agency, announced it had made arrangements with one of its companies to write turkey business. Such a flood of business poured in on the Sexton offices that it had to put the bars up and is not accepting any new applications.

At least two of the Minnesota farm mutuals, which have been writing some turkey insurance, have announced their withdrawal from the field this season.

Talk on Filing and Finding

NEWARK—H. Donald Holman, former president of the New Jersey Association of Underwriters, will speak on "Filing and Finding" on March 2 in the University of Newark in a series of talks which is being sponsored by the New Jersey association in the course of "Agency Management." There are five more talks to be given, the last on April 7.

THIS WEEK IN INSURANCE

Michigan agents oppose compulsory automobile liability measure and favor personal property floater at mid-year meeting. **Page 3**

President John O. Platt of North America sends message to agents replying to attack that was made by W. H. Bennett, in connection with participating policy issue. **Page 3**

Wisconsin license of General of Seattle is reinstated after being canceled. **Page 8**

Increase in values expected as a result of the national defense program, according to M. E. Buiske, chief inspector National Inspection Company. **Page 3**

Paul F. Jones, new Illinois insurance director, makes a great hit at a luncheon in his honor in Chicago. **Page 5**

Louisiana Association of Insurance Agents meeting program announced. **Page 4**

Program is announced for annual meeting of Fire Underwriters Association of the Pacific March 19-20. **Page 5**

Indications are seen that stock companies intend to put up a fight to break the monopoly of mutuals on compensation business in connection with defense construction risks awarded on a cost plus a fixed fee basis. **Page 23**

Third and final installment on forum on comprehensive liability policies is published. **Page 23**

Annual convention of State Farm companies of Bloomington, Ill., is held in Chicago with an attendance exceeding 2,500. **Page 25**

Slate W. G. Rich for President of F. U. A. P.

**Excellent Program Shaped
for Gathering in San
Francisco March 19-20**

SAN FRANCISCO—W. G. Rich, assistant manager of Royal-Liverpool, now vice-president of the Fire Underwriters Association of the Pacific, has been nominated for election as president at the annual meeting March 19-20.



W. G. RICH

Clifford L. King, assistant manager Crum & Forster, is nominated for vice-president, and H. B. Mariner for reelection as secretary.

Executive committee nominations are: Harold F. Mills, manager Aetna Fire, now president, as chairman; Messrs. Rich, King and Mariner, C. A. Colvin, retired manager Boston; F. J. Pelletier, Hinchman, Rolph & Landis; Russell L. Countryman, Norwich Union; Leland S. Gregory, Fireman's Fund; Charles A. Craft, Phoenix of London; Joy Lichtenstein, Hartford; Harry F. Barger, Pacific Board.

Nominees for the educational committee are: Herbert W. Semmelmeier, Pacific Board, and Albert L. Greefken, representing associate membership.

Program Is Announced

The program for the meeting has been announced by President Mills as follows:

Walter F. Alair, Northern Assurance, "The Problems and Responsibilities of the Field Man of Today."

F. N. Belgrano, Jr., president Pacific National Fire, "The Part Insurance Plays in Our Economic System."

John P. Breeden, vice-president Corroon & Reynolds, "Reinsurance."

M. F. Collopy, superintendent inland marine department Aetna Fire, "Inland Marine Insurance."

R. L. Countryman, Norwich Union, "Company Organization."

Charles A. Craft, Phoenix Assurance and president Pacific Board, "The Importance of Education."

W. G. Frazier, Frazier & Company, general agents at Seattle, "Improvements and Betterments."

S. A. Livingston, Mathews & Livingston, "War-Time Marine Problems."

Harry Perk, Jr., president California Association of Insurance Agents, "Our Business."

Frank C. Treadwell, resident vice-

New Ill. Director Wins Epauettes at Chicago Rally

Inasmuch as governmental regulation always is an outgrowth of abuses in a particular field, the true approach to removing the threat of regulation is to inquire into the abuses and seek to eradicate them, rather than blindly to assume that the present order is perfect.

That significant message was given by Paul F. Jones, the new insurance director of Illinois, in responding to the introduction at the luncheon in his honor in Chicago under the auspices of the Insurance Federation of Illinois that was attended by more than 700.

Mr. Jones made an excellent impression. Attorney Ferre C. Watkins of Chicago, personal representative of Governor Green, who presented Mr. Jones to the audience, characterized him as a man of "judicial poise and determination." Judging by his remarks and his presence, the audience gathered that this was a close estimation of Mr. Jones' character. A few days later Watkins was named head of the liquidation bureau of the department.

Sees "Mild Apprehension"

Mr. Jones said "we meet with a feeling of mild apprehension," but he expressed the hope that his connection with the business "will grow into sincere friendship and mutual trust." He said that the supervision of a business of the magnitude of insurance and one that touches the lives of practically all of the citizens so intimately is a "very sobering task." He made the significant remark that he hopes he will not be overcome by the "subtle virus of flattery." He admitted that he has a lack of knowledge of the technicalities of the insurance business and the corporate structure of its various components.

To Have Competent Staff

He assured his audience that the insurance department will be staffed by able and competent men, that the department's attitude on any matter of merit will be "courteous and sympathetic," but that he will always be mindful of his responsibility to the public.

Mr. Jones declared that suggestions from the industry will be invited and perhaps an advisory committee of insurance leaders may be created. Such an arrangement exists in New York state.

Insofar as the subject of federal regulation of insurance is concerned, he said that he intends to make searching inquiry into the abuses that are charged to exist by proponents of federal regulation. The business, he observed, cannot blindly assume that the present order is perfect. Regulation takes root in the soil of abuse. Dishonesty and other evils are the seeds of regulation, which when germinated, grow like weeds. The proper approach is to remove these seeds of federal regulation.

Mr. Jones said that his attitude will be one of friendliness towards all branches of the insurance, regardless of age, type, size or plan. The plan of any business organization is not so important as is the management, he declared. Great or small, insurance organizations thrive or fail on the factor of management.

He will strive for impartial enforcement of the law and creation of public confidence.

Mr. Jones said that the Illinois department is known favorably throughout the country largely as a result of the courage and hard work of his predecessor, Ernest Palmer. Mr. Jones said that when the time comes for him to leave

(CONTINUED ON PAGE 21)

president United States Aviation Underwriters, "Air Men, Airplanes and Air-Craft Insurance."

Speaker at the banquet March 20 will be A. Campbell Galbraith, vice-president Union Oil Company.

Credit Men Answer Insurance Questions at Cincinnati

Questions and answers featured a quiz dinner of the Cincinnati Association of Credit Men given by the Insurance Advisory Council of the association. Prizes were awarded on the basis of the most nearly correct answers to F. A. Koch, Philip Carey Manufacturing Co.; C. H. Kloch, Chattfield Paper Co., and R. C. Jones, Credit Men's Association.

T. M. Geoghegan conducted the quiz, and Gustav May, vice-president Cincinnati Fire Underwriters Association discussed the questions. Following are the questions and answers:

Simple explosion insurance covers an explosion originating in a compressed air tank? Right.

The existence of more than one fire policy on your building may void or suspend your insurance, unless all companies are notified of other protection and unless permission is granted to carry other insurance? Right.

A department store purchased a shipment of curling irons from a manufacturer in December, 1937. One of these irons, sold to a customer in November, 1938, was defective and the purchaser was burned when she used it for the first time on Jan. 5, 1939. The store did not carry products liability in 1937 or 1938, but had a policy for the calendar year of 1939. The loss was not covered by insurance. Wrong.

In case of business interruption or use and occupancy insurance on a sprinklered risk is it important that the amount of sprinkler leakage insurance be the same as that carried for fire and extended coverage items? Right.

A residence fire insurance policy with extended coverage will not cover damage loss by smudge from an oil heater. Wrong.

The first step in an insurance survey is to determine the causes from which any loss may be anticipated. Right.

While washing windows of an office building an employee of a window washing firm, operating under an independent contract, dropped a brush which struck a pedestrian. The injured person sued the building owner. The legal liability of the building owner was protected by his owner's, landlord's and tenant's liability insurance. Right.

An employee returned to the office of his employer at night, opened the door with a key entrusted to him. Then he pried open the firm's safe, leaving visible marks of forcible entry on its door, and stole payroll funds. The employer's standard form safe burglary policy would cover the loss. Right.

Half of a fully insured \$10,000 building collapsed; fire destroyed the remainder. The building owner could recover from his fire insurance policy. Wrong. Unless fallen building clause is waived, or in states where the clause is not used.

The amount of one of your checks is cleverly raised by a forger, your bank can be held responsible for honoring the check. Wrong. Your bank can only know your signature.

Explosion loss or damage to any kind of internal combustion engine must be covered by a form of boiler or machinery insurance. Wrong. Ordinary explosion insurance or the extended coverage endorsement will cover engines not operated by steam.

A fire at a local electric plant of your city disrupts power in a factory for 10½ hours. Delay in production costs the manufacturers \$1,742. Contingent use and occupancy insurance would cover this loss. Right.

The insurance department of a bank neglected to insure (or have the owner insure) a home in which it had a mortgage interest. The home burned down and not a cent of fire insurance was carried on the house. There is no available insurance for a bank to protect itself against such losses which might occur due to negligence, errors or omissions. Wrong. Errors and omission insurance would cover such loss.

A large sprinkler tank collapses through the roof of a department store and 20,000 gallons of water pours into the store. Sprinkler leakage loss insurance would have protected the store owner against such water damage loss. Right.

Leasehold interest insurance covers a tenant under a lease against increased rental costs caused by termination of his lease by fire, or any other hazard insured against. Right.

A retail druggist carries an owner's, landlord's and tenant's policy. One of the employees injures a person with a delivery push cart away from the premises. The policy does not cover this accident. Wrong.

An insurance company is not liable under the comprehensive automobile coverage for loss resulting from freezing of water in the cooling system of a car. Right.

A wholesale company shipping clerk, in collusion with an outsider (not an employee), took \$4,000 worth of stock from the firm's warehouse, which they divided equally between them. The clerk, whose share of the loot was \$2,000 was bonded for \$3,000. The wholesaler firm recovered \$3,000 on its fidelity bond. Right.

A department store, wholesaler or manufacturer can secure insurance to guarantee payment of outstanding balances, if in the event of a fire all records of existing charge or credit accounts were destroyed. Right.

J. F. Holland Mentioned as Mo. Department Head

JEFFERSON CITY, MO.—The delayed inauguration of F. C. Donnell, Republican, as governor of Missouri here Wednesday, has caused a renewal of speculation as to whom he will name as successor to Superintendent Lucas, whose term expires in June.

The name most frequently heard in connection with the insurance department post is that of J. F. Holland, St. Louis attorney, who was chief deputy under Superintendent Thompson. He is thoroughly conversant with the duties of the office, had had experience as a newspaper reporter prior to his admission to the bar and is regarded as able to adjust himself to the situation which finds a Republican governor working with a Democratic dominated senate and house.

Utah Commissioner Enters Army Service in Cal.



C. C. NESLEN

Commissioner C. C. Neslen of Utah, a member of the U. S. Army Reserve Corps, will report for active duty March 3 at San Luis Obispo, Cal. He will be a member of the chaplain's corps but in addition will carry on educational activities. He is immediate past president of the National Association of Insurance Commissioners.

FIGURES FROM DEC. 31, 1940, STATEMENTS

	Assets	Changes in Assets	Reins. Res.	Changes in Reins. Res.	Capital or Stat. Dep.	Surplus	Changes in Surplus	Net Prem.	Losses Paid	Loss Ratio
	\$	\$	\$	\$	\$	\$	\$	\$	\$	%
American Alliance	8,789,484	-44,697	1,972,918	+63,154	3,000,000	3,404,058	-109,868	1,917,348	784,898	40.9
American Central	7,216,463	-71,050	2,368,440	+59,200	1,000,000	3,463,023	-193,707	2,274,937	965,175	42.4
American Fire, Tex.	527,946	+32,281	95,924	+18,568	200,000	203,034	+357	129,142	62,777	40.9
American National Fire	1,165,503	+14,699	.....	.....	500,000	658,503	+13,199	.....	.....	.....
American Union	3,653,555	+29,702	429,744	+5,171	1,000,000	2,158,007	+17,606	302,254	124,316	41.1
Blue Ridge Fire	159,678	-7,622	.....	.....	118,969	32,500	-7,249	.....	.....	.....
British General	1,304,568	+7,774	408,681	+11,556	500,000	323,350	-112,435	397,286	168,628	42.4
Camden Fire	13,460,676	+27,056	5,738,924	-68,968	2,000,000	4,165,052	+43,965	6,188,059	2,905,440	46.9
Central Union	1,732,797	+35,971	171,711	+6,183	500,000	1,028,250	20,350	+120,911	46,001	38.0
Century	3,817,522	+179,524	1,455,082	+68,957	500,000	1,717,735	-65,925	2,165,193	832,035	38.4
Commerce, N. Y.	4,379,294	+80,526	1,673,377	+119,895	1,000,000	1,348,631	-61,464	1,630,758	681,323	41.8
Commercial Union, Eng.	13,976,690	+1,297,065	4,994,549	+206,210	500,000	6,439,504	+298,564	6,983,497	2,436,800	34.8
Com'l Union Fire, N. Y.	2,873,544	-14,540	923,572	+23,045	1,000,000	765,074	-17,259	884,661	376,325	42.5
County Fire	2,445,174	+33,223	531,539	+14,994	1,000,000	825,344	+24,096	446,836	183,721	41.1
Detroit F. & M.	3,894,685	-114,336	855,568	+27,720	1,000,000	1,891,623	-136,323	830,366	339,180	40.8
Eagle Fire, N. Y.	2,506,605	+7,905	624,088	+59,958	1,000,000	794,829	-39,297	586,143	237,791	40.5
Export, N. Y.	1,253,084	+153,516	16,832	-4,821	450,000	612,385	-21,061	5,579,642	2,179,351	39.0
Fidelity & Guaranty Fire	8,097,108	+522,592	4,492,898	+496,206	1,000,000	1,913,395	-295,109	11,167,542	4,320,050	38.6
Fire Association	24,808,879	+1,345,036	10,228,529	+1,378,632	2,000,000	9,919,459	-1,200,590	25,283,257	14,743,976	58.3
General Exchange	37,297,091	+1,041,283	20,020,342	+1,682,497	4,000,000	7,968,411	-967,550	8,630,128	3,015,787	34.9
Glens Falls	19,380,249	+501,436	7,638,505	+704,715	2,500,000	6,356,679	+1,155	21,364	7,244	33.9
Globe, S. D.	79,414	+5,260	11,381	+4,119	60,000	7,657	-4,463	1,551,543	692,161	44.6
Granite State Fire	4,508,731	+122,848	1,575,252	+126,778	1,000,000	1,726,761	-488,182	14,074,162	5,591,863	39.7
Great American	50,180,879	+217,237	13,674,296	+527,415	8,150,000	25,193,122	-662	85,069	23,642	27.7
Great Eastern Fire	724,973	+2,910	88,214	+3,435	250,000	375,999	+5,115	153,357	40,431	26.3
Illinois Fire	737,096	+43,219	177,559	+37,225	200,000	341,663	-135,078	150,831	58,558	38.8
Jupiter General	654,676	-170,463	.....	.....	200,000	340,713	+14,345	124,948	39,724	31.7
Lafayette Fire	1,124,312	+154,454	150,969	+34,751	300,000	632,459	-55,978	1,805,607	710,555	39.3
Lumbermen's, Pa.	5,454,280	+220,315	1,607,470	+217,945	1,000,000	2,380,325	+2,876	447,421	182,211	40.7
Massachusetts F. & M.	2,719,527	+14,284	461,247	+15,089	1,000,000	1,173,108	+17,130	1,382,751	531,352	38.4
Merchants Fire, Cal.	2,895,925	+187,912	1,400,081	+204,472	400,000	843,203	-28,028	147,465	17,500	11.9
Midwestern F. & M.	378,313	+78,313	91,950	+91,950	200,000	71,971	-253,305	3,920,742	1,512,660	38.5
Millers National	7,207,197	+193,122	3,479,297	+341,265	1,000,000	1,407,056	+218,892	5,023,270	2,174,025	43.2
New Hampshire Fire	17,725,575	+696,360	5,040,988	+354,046	3,000,000	8,448,105	+19,692	460,409	243,079	52.8
New Zealand	1,894,289	+31,716	434,912	-149,798	500,000	796,842	+29,532	776,697	301,881	38.8
North Carolina Home	1,284,969	+30,532	.....	.....	500,000	769,469	-170,292	3,205,261	1,195,052	37.2
Northwestern F. & M.	3,176,622	+184,834	618,604	+25,129	1,000,000	1,071,227	+47,849	3,139,861	1,039,573	33.1
Norwich Union Fire	6,235,822	+346,261	2,984,283	+260,401	500,000	1,837,598	+30,900	437,447	108,980	24.9
Ohio Farmers	5,820,181	+661,922	3,052,971	+563,187	.....	2,362,048	+20,870	489,295	224,301	45.8
Ohio	623,532	+184,544	150,894	+116,464	250,000	225,631	+862,437	4,664,103	2,493,261	53.4
Pacific Coast Fire	1,542,409	+56,071	426,768	+7,059	500,000	965,735	-152,353	978,103	418,018	42.7
Pacific National	3,902,597	+618,536	4,043,931	-413,165	1,250,000	2,469,275	-17,376	742,103	288,674	38.8
Palatine	3,158,505	+18,201	1,023,498	+26,132	500,000	1,444,035	-21,229	315,719	133,991	42.4
Philadelphia National	2,097,164	+99,478	666,350	+91,110	1,000,000	1,286,747	-32,928	1,171,282	454,876	38.8
Reliance Fire, O.	1,501,389	+21,363	377,349	+55,246	250,000	830,287	-7,928	80,366	339,180	40.8
Reliance	4,295,328	+135,843	1,068,405	+145,207	1,000,000	1,895,338	+478	568,556	186,401	32.7
Rochester American	4,056,957	+13,539	855,568	+27,720	1,000,000	2,063,896	-209,836	2,975,548	1,255,468	42.2
St. Louis F. & M.	828,523	+51,130	440,627	+64,512	212,500	131,002	-88,439	768,200	244,949	31.8
Scottish Union & National	3,304,922	+80,172	3,208,890	+151,103	500,000	4,154,548	+2,772,849	4,206,792	1,370,666	32.5
Security Fire, Ia.	2,070,816	+20,306	1,024,880	+74,891	500,000	421,757	+5,953	90,539	38,800	42.9
Service Fire, N. Y.	10,335,901	+6,171,361	3,023,413	+1,729,322	2,000,000	3,766,498	-29,191	212,156	91,974	43.4
South British	1,011,927	+48,279	112,349	-10,322	250,000	633,526	+33,433	313,769	129,215	41.1
Transportation	832,230	+32,474	120,670	+6,194	500,000	1,038,223	-168,038	1,004,067	429,150	42.7
Twin City Fire	1,935,563	+75,163	294,959	+26,764	500,000	1,61,849	-217,824	644,573	291,450	45.2
Union, Eng.	2,626,509	-15,920	1,050,994	+26,764	500,000	616,421	.....	128,738	20,998	16.3
Union & Phenix Espanol	1,761,161	+18,404	708,800	+25,465	200,000	626,421	+44,094	619,393	281,083	45.3
Washington F. & M.	487,999	.....	89,984	.....	200,000	102,336	.....	.....	.....	.....
Zurich Fire, N. Y.	1,737,652	+153,568	.....	.....	300,000	1,090,758	.....	.....	.....	.....

¹All business reinsured 100 percent with Great American.

²Includes amounts reclaimable on perpetual policies (\$70,292).

³Includes net deposit premiums on perpetual policies.

⁴Includes \$28,056 reclaimable under perpetual deposits.

⁵Reinsurance cancellations of over \$200,000 substantially reduced total.

⁶New company.

Watchful Eye for Sabotage Is Urged by F. B. I. Expert

CLEVELAND — Nearly 700 insurance men, civic and industrial leaders, heard E. P. Coffey, chief technical laboratory Federal Bureau of Investigation, Washington, describe the steps which this country must take against sabotage by fire at a meeting here.

Mr. Coffey called for cooperation with the F.B.I., as its success in checking sabotage depends upon the aid it receives from insurance men, police and fire departments, industrial organizations and others.

Should Report to F. B. I.

All acts connected with possible sabotage should be reported to the F.B.I. So far there has been no widespread outbreak of sabotage, but if it does start the F.B.I., police and other agencies will be ready to meet it.

Surveys should be made of fire fighting equipment and conditions in every city. Detailed plans may then be drawn up to meet any emergency. Fire departments will have to consider the increased industrial activity and expanded needs. Methods of priority should be worked out so that the most important areas will receive greatest attention in case several fires and false alarms are designed to divide the force. False alarms should be treated as serious offenses rather than just pranks.

Frequent Inspections Needed

Now, more than ever before, there is need for frequent inspections of manufacturing plants, utilities, transportation facilities, etc., because of the sabotage threat. Fire fighting equipment, sprin-

kler systems and communication lines may be subject to tampering by foreign agent arsonists. Fires started maliciously may often be made to look accidental. Spontaneous combustion, defective wiring, overheated bearings and inflammables must be studied carefully.

John W. Barrett, president Cleveland Board, presided. Mayor Blythin spoke. Sponsors of the gathering included the Cleveland Board, Cleveland Association of Casualty Managers, Cleveland Field Club and the Ohio Fire Underwriters Association.

Advance Registration Point to Big Oakland Attendance

OAKLAND, CAL.—Advance registration for the mid-year meeting of the National Association of Insurance Agents here in April indicate a large delegation of both company men and agents will be present from the eastern insurance centers as well as all parts of the Pacific Coast states.

The local committee, of which S. G. MacBeth of Oakland is general chairman, is sparing no expense and effort to provide entertainment of understanding and unique character.

The members of the local committee are now meeting in the evening and are holding at least one meeting each week. Members of the committee, in addition to Chairman MacBeth, and their assignments are: Floyd Lane, finance; Elmer White, promotion and publicity; George O. Johnson, tickets; Preston E. Snook, housing; Edgar Bennett, registration; Raymond D. Laughery, transportation; Howard K. Cross, entertainment. K. G. White, reception. Mrs. Lillian Campbell Pinney is in charge of the ladies' entertainment and Frank C. Colridge, executive secretary California Association of Insurance Agents, will serve as monitor.

Two New Special Committees Named

Two new special committees have been named by the National Association of Insurance Agents to work with the Business Development Office and to conduct the current agency-company study on graduated expenses and commissions.

To cooperate in outlining and effectuating the new extended B. D. program, President P. H. Midyette has named Allan I. Wolff, Chicago, chairman; Eugene Battles, Los Angeles, vice-chairman; R. M. L. Carson, Glens Falls, New York; J. K. Boyce, Amarillo, Tex., and J. M. Richardson, Hartsville, S. C.

The special committee which will work with the Association of Casualty & Surety Executives in regard to the possibility of creating a graduated expense and commission factor consists of R. W. Howe of Richmond, Va., chairman; W. H. Stewart, Chicago, vice-chairman; G. W. Carter, Detroit; W. T. Ashby, Newark; McAlister Carson, Charlotte, N. C.; W. S. Keese, Jr., Chattanooga, and G. C. Purifoy, Camden, Ark.

Alberta May Enter Life Field

Legislation enabling the Alberta provincial government in Canada to extend its insurance activities to include life insurance is expected to be introduced in the current session of the Alberta legislature. At present the government is in the fire insurance business.

The Augusta (Ga.) Board has appointed a committee to work out a uniform collection scheme.

N. Y. Patrol Premiums Show Slight Gain

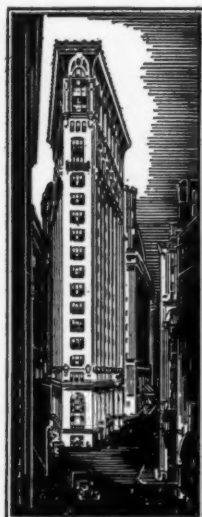
Premiums for fire patrol purposes in New York City in 1940 amounted to \$27,520,160, a gain of \$448,624 as compared with the previous year. For Manhattan and the Bronx the premiums were \$17,148,771 for 1940 and \$17,055,736 for the previous year. Brooklyn premiums were \$9,450,533 and \$9,134,589 respectively.

The figures are somewhat distorted for comparative purposes because for the first time the figures are based on net direct premiums written without regard to reinsurance ceded or received, whereas in previous years the reinsurance element was included. Herewith are given the figures of leading companies for Manhattan and the Bronx for 1940 and 1939.

	1940	1939
Home	\$933,162	\$877,466
Great American	436,966	588,794
Continental	427,967	408,768
National Liberty	407,376	331,781
United States Fire	379,017	345,012
North America	371,909	286,355
Automobile	313,957	277,326
Northwestern Nat'l	298,483	248,612
North Brit. & Merc.	280,537	274,612
Hartford	274,628	230,455
Commercial Union	231,614	322,099
Niagara	246,882	254,083
Travelers Fire	203,110	187,689
Royal	202,155	184,683
St. Paul	199,363	159,455
Fire Association	188,337	185,432
National	184,019	161,797
L. & L. & G.	183,729	189,177
Scottish Union	180,434	127,502
City of New York	178,972	175,843
National F. & M.	173,175	122,014
Firemen's	163,968	170,777
Milw. Mechanics	157,458	135,249
London & Lancas.	155,034	151,175
Sun	148,656	153,029
Phoenix, N. Y.	142,385	139,753
Mich. Millers Mut.	138,561	147,231
Atlantic Mut., N. Y.	134,726	71,861
New York Fire	134,428	147,291
Fireman's Fund	134,060	127,418
First American	129,510	142,307
Northern, New York	121,728	110,360
Westchester	121,419	99,715
Phoenix, Eng.	119,102	152,447
Standard, N. Y.	118,352	131,151
Franklin	117,753	136,611
Hardware Mut., Minn.	116,608	22,123
Buffalo	113,923	107,672
Fidelity-Phenix	105,670	80,746
Federal	105,205	64,171
Glens Falls	101,402	128,070
Mercantile	100,161	105,201

By groups the premiums for Manhattan and the Bronx for 1940 and 1939 are:

	1940	1939
Home	\$1,866,060	\$1,902,188
America Fore	1,071,023	1,059,625
Great American	910,158	800,606
Corroon & Reynolds	699,405	663,059
Royal-Liverpool	646,212	744,916
Crum & Forster	639,014	721,944
North British	583,831	556,897
North America	533,852	536,115
Fireman's	513,156	580,050
Hartford	392,538	383,709
National	378,716	394,010
Automobile	365,115	317,119
Commercial Union	364,746	491,894
Fire Association	325,336	304,194
Aetna Fire	279,394	253,477
London & Lanc.	287,992	307,194
St. Paul	222,123	181,616
Phoenix, England	221,227	271,380
Fireman's Fund	220,560	227,405
American	216,935	177,587
Phoenix, Conn.	217,839	302,125
Travelers	211,302	204,808
Scottish Union	205,739	184,042
Sun	204,695	190,477
National F. & M.	186,658	125,480
Meserole	178,608	204,307
Springfield	169,114	241,481
Chubb & Son	145,192	89,920
Agricultural	141,580	144,401
Norwich Union	117,895	121,125
Atlas	117,576	89,292
W. Washington	114,526	115,952
Glens Falls	107,477	130,121
Pearl	107,336	176,749
Merchants, N. Y.	106,803	85,426
Hanover	103,941	99,616



FIRE • MARINE • CASUALTY • SURETY

Great American Group of Insurance Companies New York

NEW YORK • CHICAGO • MONTREAL • SAN FRANCISCO

AGENTS EVERYWHERE

GREAT AMERICAN INSURANCE COMPANY

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GREAT AMERICAN INDEMNITY COMPANY

NEW YORK, N. Y. • Incorporated 1926

AMERICAN ALLIANCE INSURANCE COMPANY

NEW YORK, N. Y. • Incorporated 1897

ROCHESTER AMERICAN INSURANCE COMPANY

NEW YORK, N. Y. • Incorporated 1928

DETROIT FIRE & MARINE INSURANCE COMPANY

DETROIT, MICH. • Incorporated 1866

MASSACHUSETTS FIRE & MARINE INSURANCE COMPANY

BOSTON, MASS. • Incorporated 1910

THE NORTH CAROLINA HOME INSURANCE COMPANY

RALEIGH, N. C. • Incorporated 1868

COUNTY FIRE INSURANCE COMPANY OF PHILADELPHIA

PHILADELPHIA, PA. • Incorporated 1832

THE AMERICAN NATIONAL FIRE INSURANCE COMPANY

COLUMBUS, O. • Incorporated 1914

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President, Chase National Bank of New York

ARTHUR O. CHOATE... New York City
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JOHN M. DAVIS..... New York City
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LOUIS W. DOMMERICH... New York City
L. F. Dommerich & Co., Commission Merchants

JOHN H. HILLMAN, JR..... Pittsburgh
Chairman of the Board, Hillman Coal & Coke Co.

EUSTIS L. HOPKINS.... New York City
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JESSE S. PHILLIPS..... New York City
Vice-President, Great American Insurance Company. Formerly Superintendent of Insurance of New York

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GARRARD B. WINSTON... New York City
Shearman & Sterling, Attorneys

WILLIAM H. KOOP..... New York City
President, Great American Insurance Company and Affiliated Companies

National Board Anniversary Plans Stress Defense

Commemorating the 75th anniversary of its founding in 1866, the National Board this year will conduct an intensive campaign to stimulate country-wide recognition of the increased need for fire prevention as a contribution to the national defense program. The anniversary program will reach its climax at



R. P. BARBOUR

a two-day meeting at the Waldorf-Astoria Hotel in New York May 27-28, when leaders in many fields of endeavor will emphasize the part that the National Board has played in American progress.

It is interesting that one of the oldest public service institutions in the country reaches its three-quarter century mark at a time when the country is aware of the necessity for conserving all resources as part of the preparedness program.

Stress Delay and Cost of Fires

With every effort being made by industry and government to speed the building of the country's defenses, the member companies of the National Board have decided to stress the importance of wiping out all possible loss by fire in a year when such waste might prove disastrous.

Fire losses in industries working on defense orders as well as in Army cantonments and Naval shore establishments would delay the preparedness plans as well as add to its cost. The program of the National Board will endeavor to make every citizen realize that it is his duty to do all possible to reduce fire losses.

The National Board is actively participating in the program by lending the services of a number of its outstanding fire protection engineers to the Army and Navy to help draft plans for safeguarding cantonments, supply depots, hospitals, naval shore properties, warehouses, terminals and shipyards against loss by fire. Engineers of affiliated organizations maintained by the stock companies are assisting in this work.

This service is in keeping with the tradition established by the National Board in the first world war when its usual engineering activities were practically suspended in order that its men might help safeguard the fighting forces against the dangers of fire. That work was carried out so successfully that fire losses in properties of the various defense services were negligible, despite the predominant frame construction.

Serves Wide Public Need

Past experience fits the National Board for such emergency service. Launched originally to regulate fire in-

Program of Illinois Short Course Shown

The complete program for the short course to be held at University of Illinois, Champaign, March 13-15, sponsored by the university and Illinois Association of Insurance Agents formulated at a meeting in Chicago of the faculty with Professor F. G. Dickinson of the university and Wade Fetzner, Jr., chairman education committee Illinois association is announced. Several innovations in short course school programs were announced.

Those attending the school will stick to one subject, with adequate time for learning foundation theory. In the casualty section there will be shown the evolution of the liability relationship, common law and legal principle of negligence. The half day session in the fire course will cover valuations, the effect of valuations on underwriting and claims, coinsurance, contribution, and pro rata distribution provisions.

Registration fee is \$3. Hotels offer special rates. Champaign local agents have a hotel reservation committee with H. H. Monier, 302 Illinois building, Champaign, as chairman. The office of the Illinois association, Room 816, 175 West Jackson Boulevard, Chicago, will give detailed information. The program for the course is:

LIABILITY SECTION

Room 114, Commerce Building
Introduction of faculty by Professor E. L. Theiss, chairman public conferences and contacts committee.

I. Thursday Afternoon

Greetings, A. J. Harno, provost University of Illinois.
"Development of the Doctrine of Negligence and Liability," Mr. Dillavou.

II. Thursday Evening

"Compensation Law," Mr. O'Connor.
"Compensation Policy and Rate," Mr. Kubat.

III. Friday Morning

"Basic Principles of Public Liability Insurance," Mr. Wood.
"Specific Public Liability Forms—Including New Comprehensive Policy," Mr. Kubat.

IV. Friday Afternoon

"Automobile Policy," Mr. O'Connor.
"Financial Responsibility Laws," Mr. O'Connor.
"Compulsory Automobile Insurance," panel discussion, Messrs. Dickinson, Wiley, Kirkpatrick, a student, agent and "victim."

Dinner Meeting, Friday Evening (Combined Section), Ballroom, Union Building, Wade Fetzner, Jr., presiding.
Address, Charles M. Thompson, dean College of Commerce and Business Administration, "Insurance as a Profession."

V. Saturday Morning

"Commercial Automobiles," Mr. O'Connor.

insurance rates and kindred matters, its early leaders soon realized that it would have to serve a wider public need if it was to survive. For that reason the rate-making part of its original intent was abandoned in 1888 and since then its activities have been increasingly in the public interest. In great conflagrations, floods, hurricanes and in emergencies such as the one caused by the present international situation it has concentrated its activities on reducing the likelihood of fire and in suggesting means by which fire, when it does strike, can be combated more successfully.

W. E. Mallalieu, director of the anniversary activities, will head an anniversary committee comprised of R. P. Barbour, U. S. manager Northern Assurance, chairman; F. D. Layton, president National Fire, honorary chairman; Sumner Ballard, president International; B. M. Culver, president America Fore; Esmond Ewing, vice-president Travelers Fire; Laurence E. Falls, vice-president American; F. W. Koeckert, U. S. manager Commercial Union; Paul B. Sommers, president American; J. M. Thomas, president National Union Fire.

"Company Finances and Reserves," Mr. Wood.

BASIC PROPERTY SECTION

Room 100, Gregory Hall

(Faculty will be introduced by Lyle H. Gift, president Illinois Association of Insurance Agents.)

I. Thursday Afternoon

Greetings, A. J. Harno.
"Analysis of the Standard Fire Policy," Mr. Goble.

II. Thursday Evening

"Completion of Basic Contract—Residence, Mercantile and Manufacturing Forms," Mr. Kuffel.
"Use & Occupancy Coverages," Mr. Ellis.

III. Friday Morning

"Use & Occupancy Values—Actual Cases," Mr. Ellis.
"Extended Coverage—Vandalism, Mysterious Mischief, War Risk, Mandatory Endorsement, etc.," Mr. Kuffel.

IV. Friday Afternoon

"Fire Prevention by Construction," Mr. Provine.
"Dean Analytic System," Mr. Parker.

V. Saturday Morning

"Valuations for Insurance Purposes," Mr. Beatty.
"Handling of Fire Insurance Claims," Mr. Beatty.
"A Fire Insurance Claim," panel discussion, Messrs. Dickinson and Provine, company man, adjuster and policyholder.

Wis. License of General, Seattle, Is Reinstated

MADISON, WIS. — Commissioner Duel on Monday issued an order reinstating the Wisconsin license of General of Seattle. This revokes an order issued a few days earlier revoking the license and was in response to a petition filed by General for a rehearing.

The license was canceled following a hearing Feb. 11 on charges that General had violated the rate law and the statute requiring filing of daily reports with the audit bureau in connection with an interstate reporting form contract covering the Larsen Company of Green Bay, a canning firm.

The interests of General are being handled by Robert M. Rieser, of Rieser & Mathys, Madison attorneys.

The company's financial condition is in no way involved in the controversy.

A new agency of the Northern Life, featuring accident and health coverages exclusively, has been established in Seattle by J. S. Moss, who has resigned as branch manager of Investors Syndicate, with office at 1002 Northern Life Tower.



where the need for plate glass insurance is emphatically brought home to others.

The Phoenix-London agent keeps in close touch with glaziers. As soon as a break occurs, he loses no time soliciting all adjacent stores and offices.

Owners and occupants are in a receptive mood at such a time, and the agent's efforts meet with less sales resistance. The agent also has taken advantage of an opportunity to please his prospects with Phoenix-London service—a big help in securing other lines.



PHOENIX-LONDON Group
55 FIFTH AVENUE, NEW YORK CITY

FIRE COMPANIES

Phoenix Assurance Co., Ltd.
Imperial Assurance Company
Columbia Insurance Company
United Firemen's Insurance Co.

The Union Marine & General Insurance Co., Ltd.

CASUALTY COMPANIES

London Guarantee & Accident Co., Ltd.
Phoenix Indemnity Company

HOLC States Attitude on Insurance Issues

WASHINGTON — Officials of the Home Owners Loan Corporation this week denied published reports that they would not abandon the 25 percent fee now received for the placing of insurance on homes on which they have advanced money.

On the contrary, it was explained, there is a feeling that the HOLC insurance operations are a pioneering effort in what may in the future become an important field, but that they are on such a scale that a final arrangement as to commissions must be an evolution resulting from experience over a sufficient length of time to enable the determination of definite, sound principles upon which the contract can be handled.

It was stressed that the government agency is not fighting either the insurance companies, the Stock Company Association or the state authorities but, rather, is attempting to work in harmony with all interests in ironing out the situation which has arisen as a result of an opinion by the New York attorney-general condemning the 25 percent fee.

The HOLC was represented as not attempting to make a profit from its insurance work, although it was felt that the activity should be put on a self-supporting basis. What arrangement would be necessary for that has not yet been worked out, but it is felt that if any savings in insurance can be made they should go to the policyholders—the home owners for whose benefit the corporation was created.

Read's Former Assistants Make Good in Other Fields

OKLAHOMA CITY—Commissioner Read of Oklahoma may not be infallible in picking a Kentucky Derby winner, but is a little cocky over his ability to pick a winner for assistant commissioner. Since he took office in 1926, he has selected five assistants and each resigned to attain success in his particular business field.

His first selection was Royce Savage, just out of law school at the Oklahoma University who served in 1927-28. He resigned to take up general law practice and now, at the age of 36 years, has been appointed U. S. district judge for northern Oklahoma, with headquarters at Tulsa.

Then came J. B. Thompson, a classmate of his predecessor. He remained until 1931, when he resigned to practice law at Ardmore. He was elected state senator in 1936, reelected in 1940, and is now prominently mentioned for Congress.

Straight from college came Leonard Savage, younger brother of Royce, but equally as ambitious and aggressive. He resigned in 1934 to practice law in Oklahoma City. He specializes in insurance and now represents several of the larger companies.

F. A. M. Petree, the fourth choice, worked with the commissioner nearly four years, resigning as regular assistant to become his special assistant to handle all receivership cases. The present incumbent is J. F. Gibson, who his employer says is doing a "swell job" and is in line for something better when he is ready to enter the general business field.

Mystery Charter in Connecticut

Western Hemisphere Insurance Company is the title of a company for which a charter is being sought from the Connecticut legislature. The interests seeking the charter have not been divulged and since the bill is in merely skeleton form, the type of company proposed is not made clear.

An unnamed group, through its attorney, Charles H. Blackall, brother of Commissioner John C. Blackall, has drawn up a skeleton bill and registered with the secretary of the state, with the idea of seeking a charter from the gen-

eral assembly for a new concern to be called Western Hemisphere.

To date that is as far as matters have gone. The company is in an embryonic state and may not form at all.

The bill did not state the amount of capitalization nor did it give names of backers. It is believed that they are interested in reinsurance.

Charles H. Blackall holds no official position in the state and is acting simply as attorney. The commissioner himself has nothing whatever to do with this new group.

Story of Three Days in Paducah, Ky., Is Told

Interstate Adjustment Service of Paducah, Ky., writes as follows under the caption "The Story of Three Days":

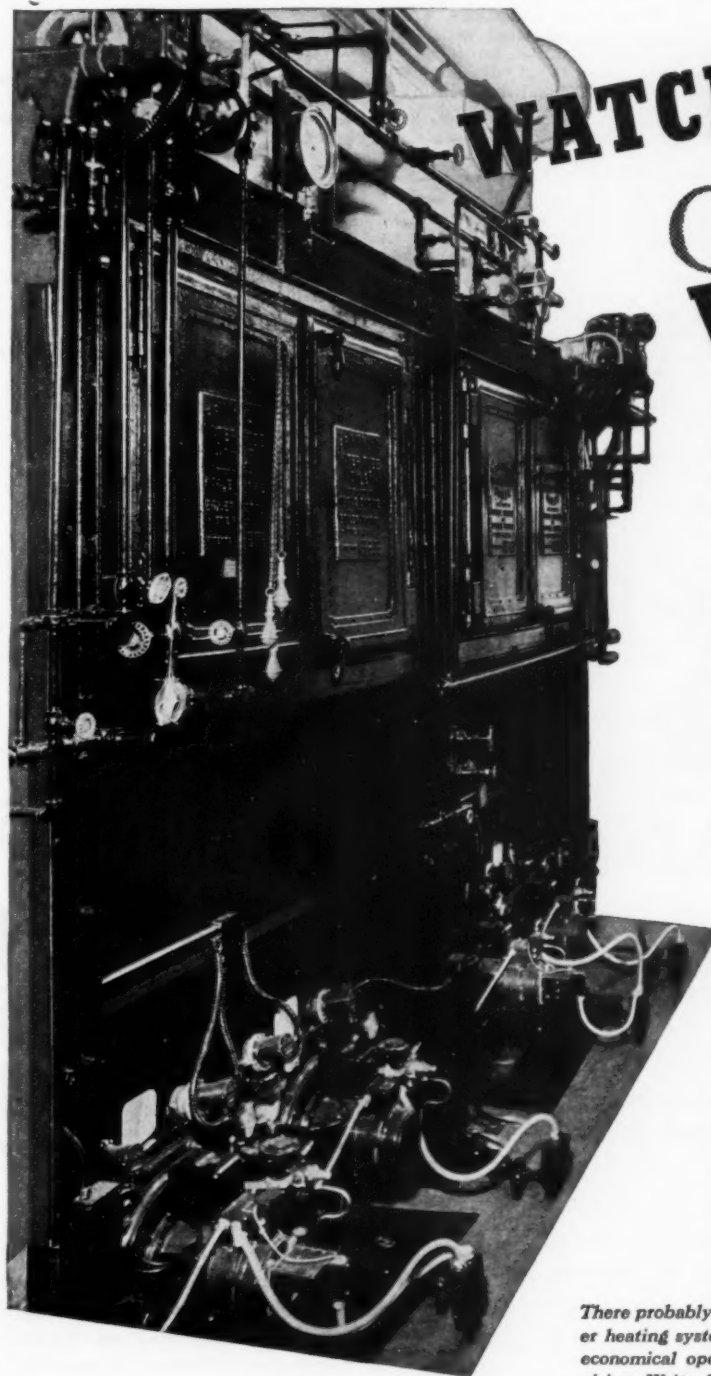
Friday (2-21-41) the Paducah "Sun-Democrat" carried picture of the local fire department's new ladder water tower truck.

Saturday (2-22-41) the morning edition of that newspaper carried an editorial titled: 'Now, How About Cutting

Our Insurance Rates?' The editorial prophesied, "While this improvement is not a positive guarantee that the city will not have a disastrous fire tomorrow—"

Sunday (2-23-41) the Paducah Masonic building, located a block from fire department headquarters and across street from the newspaper office was destroyed by fire at an estimated loss of \$100,000.

Get the new edition of **Insurance Policy Sales & Surety Analyzer** with check chart. Send \$2 to National Underwriter.



WATCHED by an Invisible WATCHMAN

The battery of modern automatic oil burners pictured here was installed about a year ago by Buzza Co., Inc., greeting card publishers, of Minneapolis. Having experienced the advantages of automatic supervision through A.D.T. Sprinkler Supervisory and Waterflow Alarm Service, the Buzza Co. adopted A.D.T. Central Station Heating System Supervision as the most efficient and economical boiler room "watchman."

As at the Buzza Co., A.D.T. Heating System Supervision—available for coal and gas-fired systems as well as oil burners—has proved completely effective and economical in hundreds of plants and buildings throughout the country.

In addition to its economy, this service eliminates the factor of human fallibility by supervising *automatically* the following potential trouble conditions: low water or oil levels in coal or oil burning systems—abnormal steam pressure—high and low temperature of air or water in hot air or hot water systems—subnormal vacuum in vapor heating systems—extinguishment of oil burner flame, or its failure to ignite the oil—impaired operation of mechanical stokers. Any of these, as well as other trouble conditions, are automatically detected and reported to the A.D.T. Central Station for immediate corrective action.

There probably are among your clients many who would obtain greater heating system efficiency, as well as deriving the benefits of more economical operation, by adopting A.D.T. Heating System Supervision. Write for free descriptive booklets and further information.

A. D. T. HEATING SYSTEM SUPERVISION

Controlled Companies of AMERICAN DISTRICT TELEGRAPH CO., 155 Sixth Avenue, New York, N. Y.

CENTRAL STATION OFFICES IN ALL PRINCIPAL CITIES OF THE UNITED STATES

ADT

Electric Protection Services
AGAINST FIRE · BURGLARY · HOLDUP
 A NATION-WIDE ORGANIZATION

VIEWED FROM NEW YORK

By GEORGE A. WATSON

INSURANCE INSTITUTE "EXAMS"

Thus far 3,064 registrations have been received for examinations to be held by the Insurance Institute of America beginning April 21. Centers where class group examinations will take place include Atlanta, Baltimore, Bloomington, Ill., Boston, Cedar Rapids, Ia., Chicago, Cleveland, Columbus, O., Dallas, Detroit, Dubuque, Ia., Glens Falls, Hartford, Jamestown, N. Y., Manchester, N. H., McMinnville, Ore., New Haven, New York, Newark, Philadelphia, Providence, St. Louis, San Francisco, Seattle, Springfield, Mass., Stevens Point, Wis., and Vancouver and Winnipeg, Canada.

In addition some 300 individual and correspondence course students will take examinations in various locations including centers in Cuba, Mexico, Hawaii and the Philippine Islands.

TO WEIGH MERGER PROBLEMS

While favorable consideration was given the suggested merger of the Sprinkler Leakage and Explosion Conferences at the annual meeting of the two bodies recently, no move toward making the idea effective has yet been taken. Much preliminary work must be done by a committee yet to be appointed. While the two organizations are under the same management, and occupy common centers, each has several companies not members of the other. Yet another element is the question of territorial jurisdiction, not now clearly defined.

FEWER FIRES, GREATER LOSS

Although there were 4,041 fewer fires in New York City last year than in 1939, the number being 28,413 and 32,454 respectively, the 1940 losses aggregated \$9,637,375, an increase of \$1,036,831 over those of the preceding 12 months, according to the annual report of Fire Commissioner McElligott. Of the total fires last year 16,951 were in buildings and 11,462 outside of buildings. There were 7,701 tenement-house fires as against 8,088 in 1939; 3,629 dwelling-house fires compared with 3,629; 1,375 factory fires, as against 1,277, and 1,965 store fires, greater by 99 than those in 1939.

Ninety-eight fires were listed as incendiary, less by 28 than the record of 1939, and 70 persons were arrested for arson, with 55 convictions.

REVISE EXPLOSION COVERAGE

Committees representing fire and casualty companies are now at work suggesting revisions in connection with explosion coverage due to the requirements of the new insurance code of New York. There is a willingness on either side to appreciate the problems and interests of the other.

PRESENTATION TO McELLIGOTT

In recognition of the close cooperation that has existed between the National Board and local fire chiefs, a rare and valuable lithograph of officers of the New York City Fire Department, about the time it emerged from a voluntary to a paid department, will be presented to John J. McElligott, fire commissioner, by the National Board Friday.

The presentation will be made by W. E. Mallalieu, manager of the National Board, in McElligott's office.

The lithograph was printed by the Clements & Lockman Co. of New York. It is the work of Edward Valois and included in the group portrait are 15 chief and assistant engineers of the old volunteer New York Fire Department for 1857-58. The National Board obtained the print from the famous Kennedy collection of historical fire scenes and noteworthy conflagrations.

From the same collection the National Board has compiled an exhibit of more than 50 historical fire prints which it is now offering as a one week show to the country's largest museums.

NEW YORK PREMIUM DECREASE

Total premiums for the six years since 1935, based on the report of the New York Board in Fire Patrol territory, showed a decrease from \$29,419,777 in 1935 to \$26,440,972 in 1940, according to E. C. Niver, executive vice-president of the New York Board. The reduction was due largely to rate decreases.

Of the total, stock companies wrote \$28,403,441 in 1935 compared with \$24,352,068 in 1940. Mutuals wrote \$835,771 in 1935 and \$1,895,668 in 1940. Written by Lloyds and inter-insurers was \$179,565 in 1935, compared with \$193,236 in 1940.

BONITO ADDS TO N. Y. SERVICE

G. T. Dedrick, Jr., has been placed in charge of the newly organized fire insurance department of Alan H. Bonito & Co. in New York. The agency has taken considerable more space on the ground floor at 80 John street to accommodate this expansion. Mr. Dedrick was formerly special agent in the service department of Glens Falls. He has been in the business 20 years, 12 of

which were with Phoenix of London. He has also had experience with National Liberty and the Wright agency of New York.

DRUG & CHEMICAL CLUB ELECTS

William D. Barry of Mallinckrodt Chemical Works was elected president of the Drug & Chemical Club of New York at a dinner given in honor of H. B. Lamy, Jr., the retiring president. Vice-president is W. J. Reynolds of Corroon & Reynolds; treasurer, J. C. Hanson, Jr., Chase National Bank; secretary, A. J. Smith of Zweig-Smith & Co.

NEWS BRIEFS

The Stephens General Agency of Atlanta has been given representation of the Fidelity Fire Underwriters of the National Union Fire in Georgia.

H. C. Taylor, assistant secretary of the Home of New York, formerly Virginia state agent, spent the week-end in Richmond renewing acquaintances.

B. P. Carter, Richmond general agent, spoke before the Virginia Retail Hardware Association at Danville on "Consumer Cooperatives." The talk was along the line of others he has made on the subject.

Special Libraries Group to Hartford June 16-20

The annual convention of the Special Libraries Association will be held in Hartford June 16-20.

The association is a national group of librarians of all types of business and professional organizations, with those in each field having their own identity.

The 200 insurance librarians will visit many of the insurance companies and their libraries in Hartford. At their opening meeting Commissioner Blackall of Connecticut will give the welcoming address.

Margaret C. Lloyd, librarian of the Retail Credit Company, is chairman of the insurance group.

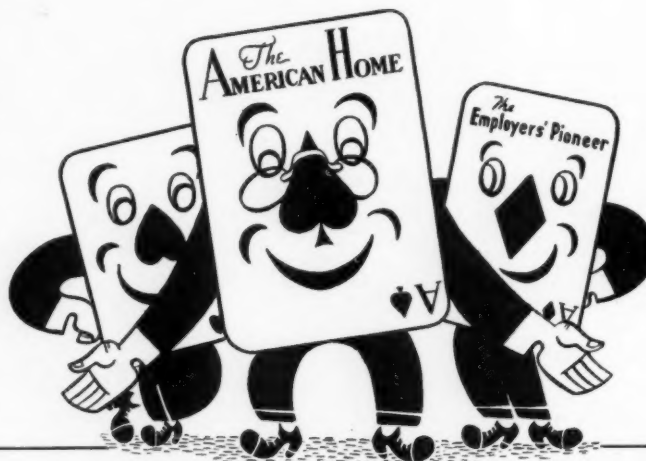
Quarterly Book Reviews

The insurance group of the Special Libraries Association publishes each quarter a booklet, "Insurance Book Reviews," which contains brief reviews of outstanding insurance publications issued the previous three months. The cost is 50 cents for one year or \$1 for three years. Margaret C. Lloyd, Retail Credit Company, Atlanta, handles the circulation list.

Get Non-Resident Agency & Brokerage Laws. \$1. National Underwriter.

How would You like to draw

Three Bullets?



Getting more business is simply a matter of playing your cards right — if you have the right cards. So to fill your hand — we offer three, crisp, sales-producing Aces, (1) National advertising, reaching over 2,000,000 prospects each month, (2) direct mail material, with which you can cash in on our national campaign, and (3) The Employers' Pioneer, a monthly magazine that keeps over 10,000 agents posted on latest developments in insurance production. Shall we deal you in?

How About A Hand Of Showdown?

Simply write to the Publicity Dept. and we'll send you the latest issue of The Pioneer, showing — in one quick glance — some of the many things we do to help Employers' Agents get business.

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THE EMPLOYERS' LIABILITY ASSURANCE CORPORATION, LIMITED
THE EMPLOYERS' FIRE INSURANCE CO. — AMERICAN EMPLOYERS' INSURANCE CO.

AS SEEN FROM CHICAGO

NEW BUILDING COSTS MANUAL

Increases in building costs of from 8 to 10 percent in the past three years have made necessary a second revision of the Chicago building costs manual by the Chicago Real Estate Board. The new figures will be ready for distribution March 1 at Board Headquarters, 32 West Randolph St.

Covering reproduction costs of all types of structures both residential and commercial, the supplement brings up to date information in the original building cost book published in 1935. A number of indices are included this year covering hourly wage scales of various types of construction labor unit costs on building materials in the Chicago area, and index numbers on construction and building trends during the past eleven years.

Lumber cost in January, 1941, was \$5.60 per 1,000 feet over 1938. Certain unit cost percentage factors have increased in some cases as much as 30 percent over 1935.

The revision provides close estimates on reproduction costs of all types of structures from bungalows and residences to apartment buildings, office buildings, garages, gas stations, sheds, industrial buildings, greenhouses, clubs, theaters, hospitals, churches, dance pavilions, etc. The original building costs manual has been used extensively throughout the Chicago area. Insurance underwriters utilize it in setting up values.

W. U. A. RALLY APRIL 22-23

The Western Underwriters Association has changed its annual meeting date to April 22-23 at White Sulphur Springs, W. Va. This is one week later than according to the original plans.

REASON FOR BOWMAN'S MUSTACHE

George R. Bowman of Napier & Co., president of the Chicago Board, has now attained the grandfather status and is sprouting a handsome mustache in celebration. He started to grow the mustache on the day that he expected to become a grandfather but he was three days ahead of time and hence had quite a start on the grandson who is George Roland Persig of Detroit. Mrs. Persig being Mr. Bowman's daughter.

D. R. DOMKE SEEKS OFFICE

David R. Domke, former executive secretary and attorney for the Insurance Brokers Association of Illinois in Chicago, is a candidate for alderman in the third ward of Evanston, Ill. He has resided in the suburb for 15 years. He drew up the Illinois insurance brokers license law passed by the 1932 legislature.

WESTERN MEN IN FLORIDA

W. P. Robertson, resident vice-president of North America in Chicago, left Saturday for Ft. Lauderdale, Fla., for a stay. He and his family have taken an apartment there for several weeks. E. A. Henne, vice-president and western manager of America Fore, and J. C. Harding of Chicago, executive vice-president of Springfield F. & M., are leaving for Ft. Lauderdale Saturday.

JACOB LOEB LEAVES HOSPITAL

Jacob Loeb, chairman of Eliel & Loeb of Chicago, has now been moved to his quarters in the Shoreland Hotel, after having been confined to St. Luke's Hospital in Chicago for 18 weeks. He still has difficulty getting about but it is hoped that he can show enough improvement to be moved to his summer home at Cable, Wis.

WHITMORE EXECUTIVE SPECIAL

H. M. Carmichael, general manager of the Oil Insurance Association, announces the appointment of W. K. Whitmore as executive special agent, located in the Chicago office. Mr. Whitmore has been with the association 17

years, at the New York office and also in various other offices of the association, more recently having been manager of the Tulsa office.

Fred A. Gorham, formerly in the Texas field, has been placed in charge of the Tulsa office.

DINNER DANCE BIG SUCCESS

The annual Blue Goose dinner dance in Chicago Saturday evening was one

of the most pleasant social events that the pond has ever held. This event has been conducted for the past several years. Very largely the same crowd goes each year and hence, the group has developed a special bond of fellowship. There were 146 on hand.

SECOND N. U. TECH FIRE

Northwestern University's new technological institute under construction at Evanston, Ill., suffered its second fire last week. In December there was a \$500,000 loss due to a salamander overturning causing the tarpaulins to catch

fire and the scaffolding being involved which ruined the steel structure. Workmen last week were cutting away part of the damaged structure when flames from an acetylene torch ignited some insulation packed around steam pipes. The building superintendent turned in an alarm immediately. The firemen were handicapped by the fact that the fire was confined between two floors but it was soon brought under control.

MARINE COVERAGE DISCUSSED

The Insurance Distaff Executives Association held its first open meeting in



Horse Blinders Don't Make Horse Sense

You're going to see this illustration. It appears in the February 8th issue of *The Saturday Evening Post*. It's another way of indicating what The American Insurance Group has been saying consistently in national advertising.

So many men wear "blinders" when it comes to insurance protection. They fight off the idea of

insurance analysis, for fear it will cost them extra insurance dollars.

This Group has worked out a simple system for selling complete coverage, instead of hit-or-miss policies. It starts with the unique Risk DETECTOR which makes it easy to learn a prospect's insurance needs. It provides a complete plan of insurance protection which

agents use to produce new business and make new friends. We call it: INSURE THE American WAY.

National advertising paves the way for agents of The American Insurance Group. An exclusive merchandising plan is available for these agents to apply locally. If you are interested, write for particulars. Address: The American Insurance Group, Dept. 529, Newark, New Jersey.



INSURE
THE American WAY



THE American Insurance Group

Newark New Jersey

The American Insurance Company The Jersey Fire Underwriters

The Columbia Fire Insurance Company Dixie Fire Insurance Company

Bankers Indemnity Insurance Company

the Chicago Board auditorium. P. J. Leen, superintendent of the marine department Fireman's Fund, discussed marine insurance. Through C. G. Kuechler, North America, a marine service film was shown and commented upon by Alvin Strahle, North America. The pictures covered safety packing methods and loading at various harbors. Views were shown of the Tacoma Narrows bridge before, during and after its collapse.

At the March 20 meeting Wade Fetter, Jr., W. A. Alexander & Co., will talk.

INSURANCE VOCATIONAL STUDY

The Institute for Research at 537 South Dearborn street, Chicago, has published a vocational monograph "Careers in Fire and Casualty Insurance." Copies may be secured from the Institute for \$1 each.

COFFEY AT FIRE PREVENTION MEET

E. P. Coffey, chief of the technical laboratory of the Federal Bureau of Investigation, will be the speaker at the regular weekly meeting March 12 of the Chicago Association of Commerce. The meeting is being sponsored jointly by the ways and means and the fire prevention committees. His subject will be "Prevent Sabotage Through Fire." Joel R. Wilson, Marsh & McLennan, in charge of arrangements, is chairman of the fire prevention committee, and R. G. Osgood, North America, is vice-chairman.

THIEMEYER SPEAKS MARCH 4

H. R. Thiemeyer of the Chicago office of North America companies will address the Chicago Insurance Club on "Relation of the Fire Insurance Contract to the Defense Program," March 4.

Kenneth Force Joins National Underwriter Staff

Kenneth Force of Kansas City has joined THE NATIONAL UNDERWRITER in the editorial department in Chicago as associate editor. Mr. Force has a considerable insurance knowledge, and for the past 11 years in his work as editorial representative in Kansas City he has been correspondent for THE NATIONAL UNDERWRITER and other insurance publications, as well as contributing to and corresponding for "Sales Management," a number of motion picture magazines and numerous other trade publications. He is also the editor of the weekly insurance column in the Kansas City "Star." Mr. Force attended Kansas University and for a short time was on the editorial staff of the Albany, N. Y., "Times-Union."

Holds Labor Unions Can Be Held Accountable

Much interest is taken in the decision of Federal Judge Ganey at Philadelphia to the effect that the decision of the U. S. Supreme Court in the Apex Hosiery Company case does not exempt labor unions entirely from prosecution under the Sherman and Clayton anti-trust laws. It will be recalled that the supreme court dismissed the damage suit for \$3,500,000 brought by Apex Hosiery against the CIO Hosiery Workers Union for triple damages. The strikers at the Apex plant caused considerable damage. The loss was paid by the factory mutual companies.

Judge Ganey's decision was in a case brought against the Philadelphia A. F. of L. Teamsters Union by Edward A. Hunt and Robert Hunt, former operators of a motor trucking service. Judge Ganey refused to dismiss the action on the ground that the U. S. Supreme Court decision does not exempt labor unions from being penalized for "conspiracies to restrain trade in which questions of labor are absent." The supreme court decision, he held, "only relieves unions from being penalized for violations committed in the course of labor disputes."

Sees Closer Credit and Insurance Tie

The effort to establish a practical working cooperation between credit men and agents is expected to get under way on a national basis in the near future, Harold E. Taylor, sales promotion manager American of Newark and chairman of the insurance committee of the New Jersey Association of Credit Men, told the mid-year meeting of the Michigan Association of Insurance Agents, Lansing.

What has been needed and what is now available is a simple form. One has



HAROLD E. TAYLOR

been proposed by the New Jersey Association: one side of a single sheet and most of that in blank lines. It reads, "I have checked below those hazards to which I believe the property of Mr. Blank is subject." Then follows a list of insurable hazards, to which the credit applicant may or may not be subject. Having checked the list, there follows this statement, to be answered by the agent of the applicant for credit, "For credit purposes, I believe this applicant has sufficient insurance to offset these hazards, except as follows..."

The form, when completed, will give the credit man all the information he needs, simply and concisely. He does not have to be an insurance student to understand it, and it contains the opinion of a professional insurance man, Mr. Taylor explained.

Move Dates from 1936

The idea of closer cooperation between credit men and insurance interests dates from 1936 when an insurance group was organized in the National Association of Credit Men by member insurance men. Mr. Taylor is a charter member of this group. The national group sought better to acquaint the entire membership with insurance, with the objective of getting the companies represented by credit men to broaden their protection.

The plan conceived by the New Jersey association seeks to interest each credit man in investigating the insurance set-up of the hundreds of customers to whom he extends credit. Under this plan are covered practically all businesses including the firms represented by the credit men Mr. Taylor pointed out.

For about three years credit men have had available a form issued by the National Association of Credit Men known as the "insurance statement," which will show what insurance the credit applicant carries. The credit man is supposed to get this filled out.

Reaction of the New Jersey Association of Credit Men was: "Of what value is it to know what insurance is carried by a credit applicant unless you also know what insurance he needs? And even if a credit man knows about insur-

ance, how can he determine what insurance is needed by a man located in some distant city, whom he has never met?"

The New Jersey association, feeling that the adequacy of any man's insurance protection can be determined only by someone on the ground, devised its plan to have the credit manager ask the credit applicant the name of his agent, then send the agent the questionnaire which will reveal what insurance is carried and what is needed, or merely what insurance is missing.

This plan was presented the National Association of Credit Men at two successive conventions. It was regarded as a good idea, but the form was considered too cumbersome.

The new form is very simple. It has been submitted to G. T. Klippel, Indianapolis, chairman of an insurance committee of the National Association of Credit Men named specifically to develop a plan of this kind. Action is expected, Mr. Taylor stated.

Mr. Taylor discussed procedure of the insurance committee, New Jersey Association of Credit Men. The committee has six insurance and six credit men, so that both sides are represented in the discussion of any question, and there is little chance of going off half-cocked. Furthermore, since the committee is a part of the credit association, its recommendations receive sympathetic consideration of the general membership.

Throughout one year, the committee furnished an insurance speaker for each of the trade group luncheons, who discussed insurable hazards peculiar to their line of business. Usually the speaker was a local agent who seemed especially interested in some form of protection. Sometimes it led to a sale.

Holds "Insurance Nights"

The association holds four big dinner meetings during the year, and on two occasions they have been known as "insurance night." An address was given by an insurance man who had at least a general knowledge of all kinds of insurance, but he was backed by a specialist, in each of the leading branches for the question period which followed. That credit men are very much interested in insurance when it is brought to their attention is proved by the fact that questions continued to come from the floor until after midnight.

Another year the committee conducted an insurance school, one night a week, which was well attended.

William H. Whitney, association secretary is intensely interested in the insurance work, and is now conducting a test of the new form.

"Mr. Klippel sometime ago wrote an article in which he said 'I can sell more insurance than an insurance agent!' Neither Mr. Klippel nor any other credit man I know possesses either an agent's or broker's license. If, therefore, these credit men decide to 'sell' insurance, their only interest will be to further protect their credit. You agents will get the commission. All of it. And the credit man will be doing what you should have done long since—making sure that your client is adequately insured!" Mr. Taylor concluded. "When these 'salesmen' ask you for information about your customers, will you be ready and quick to furnish it so they can increase your sales—while protecting their credit?"

North British Columbus Roundup

NEW YORK—Field men in the central department of North British & Mercantile are in annual session at Columbus. The sessions are in charge of Secretary R. L. Mouk, with General Agent H. V. Tisdale as chief assistant. In addition to the field men in the territory, the gathering is attended by Manager P. J. Moriarty and Assistant Manager W. L. Nollen of the Detroit metropolitan department, and by the following from the head office: Assistant U. S. Manager R. P. Stockham; Secretaries A. W. Barthelmes and A. E. Lehman; General Agent E. P. Folley and Publicity Director W. J. Traynor.

Conventions

March 5, Southern Agents Conference, Atlanta, Piedmont Hotel.

March 5-6, Minnesota agents (mid-year), St. Paul, St. Paul Hotel.

March 13-14, New Jersey agents (mid-year), Asbury Park, Berkeley-Carteret Hotel.

March 13-15, Illinois insurance school, Urbana.

March 19-20, Fire Underwriters Assn. of Pacific, San Francisco.

March 25-26, Wisconsin agents (mid-year), Madison, Lorraine Hotel.

March 26-28, Louisiana agents, Monroe, Virginia Hotel.

April 7-9, American Association of Insurance General Agents, Hollywood, Fla., Hollywood Beach Hotel.

April 21-24, National Association of Insurance Agents (mid-year), Oakland, Cal., Oakland Hotel.

April 22-23, Western Underwriters Association, White Sulphur Springs, W. Va., Greenbrier Hotel.

April 24-25, Insurance Accounting & Statistical Association, Chicago, Edgewater Beach Hotel.

April 28-May 1, U. S. Chamber of Commerce, Washington, D. C.

May 4-6, North Carolina Association of Insurance Agents, Pinehurst.

May 12-13, Indiana insurance school, Bloomington.

May 12-14, National Association Independent Adjusters, Dallas, Baker Hotel.

May 12-16, National Fire Protection Association, Toronto, Royal York Hotel.

May 14-16, Texas Association of Insurance Agents, Dallas, Adolphus Hotel.

May 15, Ohio agents (mid-year), Columbus, Neil House.

May 15, Insurance Advertising Conference, New York, Roosevelt Hotel.

May 16-17, Arkansas agents, Hot Springs, Arlington Hotel.

May 16-17, Oklahoma agents, Oklahoma City, Skirvin Hotel.

May 21-22, National Board, New York, Waldorf Astoria.

May 22-24, Virginia Association of Insurance Agents, Roanoke, Roanoke Hotel.

May 22-24, Mississippi agents, Edgewater Park.

May 28-30, Industrial Insurers Conference, Richmond.

June 3-4, Tennessee school, University of Tennessee, Knoxville.

June 3-4, Pennsylvania Insurance Days, Bethlehem, Bethlehem Hotel.

June 3-5, Health & Accident Underwriters Conference, Chicago, Edgewater Beach.

June 9-11, National Association of Insurance Commissioners, Detroit, Statler Hotel.

June 12-13, South Carolina agents, Greenville.

June 19-20, Kentucky agents, Louisville, Brown Hotel.

June 19-20, Illinois Fire Underwriters Association, Lake Delavan, Wis., Lake Lawn Hotel.

June 19-20, Florida agents, Jacksonville.

June 22-24, National Association of Insurance Women, Nashville.

June 23-25, National A. & H. Association, Los Angeles.

June 25-27, New England Associations of Insurance Agents, New London, Griswold Hotel.

June 26-27, Tennessee agents, Johnson City.

Aug. 26-28, Blue Goose grand nest, Asheville, N. C.

Sept. 8-10, International Claim Association, Atlantic City, Ambassador Hotel.

Sept. 24-26, Kansas agents, Salina.

Oct. 6-9, Joint casualty convention, White Sulphur Springs, Greenbrier Hotel.

Oct. 13-16, National Association of Insurance Agents, Kansas City, Muehlebach Hotel.

Nov. 6-7, Illinois agents, Peoria, Pere Marquette Hotel.

Study River Operator Regulation

River shipping interests have reached no final conclusions on how the Wheeler-Lea bill bringing river operators under the jurisdiction of the Interstate Commerce Commission will eventually work out, except that it is bound to cause an increase in freight rates because of certain expenses incurred in complying with the act's provisions. The I. C. C. has shown no tendency to promulgate arbitrary rulings and has thus far evidenced a cooperative spirit.

Shippers are required to file all rates, schedules, and tariffs by March 1 and all applications for certificates and permits by June 1. The situation is somewhat confused at the present time until the administration of the act is more clearly defined. Reliable operators would not be affected probably by any minimum insurance requirements which the I. C. C. might promulgate, since they are providing adequate coverage to shippers at the present time.

Insurance Society of N. Y. Observes 40th Anniversary

NEW YORK—Almost 700 fire, casualty marine and life company representatives attended the 40th anniversary banquet of the Insurance Society of New York here Tuesday evening. Featured speakers, in addition to President John J. King, who presided, were Edward R. Hardy, secretary of the society, and Louis A. Johnson, former assistant secretary of war and a member of the Clarksburg, W. Va., law firm of Steptoe & Johnson. Vocal selections were rendered by Everett D. McCooey, surety broker. An American flag was presented to the society by Insurance Post 1081 of the American Legion.

Many Honor Guests

Honor guests, each of whom was presented to the audience, included R. P. Barbour, United States manager Northern Assurance, who as a young special agent was responsible for launching the society; H. S. Bepler, Pittsburgh Insurance Club; J. W. Donahue, president Insurance Society of Philadelphia; LeRoy A. Lincoln, president Metropolitan Life; W. E. McKell, vice-president American Surety; A. H. Phillips, vice-president Great American; Superintendent Pink of New York; C. G. Taylor, vice-president Metropolitan Life; J. S. Thompson, Mutual Benefit Life, president Insurance Institute of America; W. D. Winter, president Atlantic Mutual, and C. E. Case, recently retired as assistant United States manager North British & Mercantile.

King Talks of Building Plans

President King stated that while the present is not an opportune time to push the plan for a new building for the society, as soon as the world returns to normalcy the idea will be taken hold of aggressively. He announced receipt of a check for \$1,000 from Mrs. E. L. Ballard, widow of the founder of the Merchants Fire of New York, and at the time of his death its chairman, which she said gave evidence of his keen appreciation of the work of the society.

Mr. Hardy, who almost from the inception of the society has been its secretary and driving force, reviewed interestingly its progress through the years.

Mr. Johnson made a forceful appeal for united support of the national administration in its defense effort.

The members and friends of the Insurance Society of New York are celebrating the fortieth anniversary of its founding with a dinner-dance in New York Friday.

Alfred M. Best, president of Alfred M. Best Company, has published a 20-page booklet "Forty Year Development of an Ideal," which outlines the history and aims of the society.

The Insurance Society, founded in 1901, undertook to provide an organization for educational, social and general development relating to insurance; to establish an insurance library and reading room and to promote a high standard of ethics in the business.

The student enrollment is more than 1,500. Twenty to 30 classes covering all lines of insurance are held weekly in 10 class rooms and the library now contains more than 42,000 items and the growth is approximately 2000 items a year.

The present membership is 1,442 and is open to all those interested in insurance. Membership is possible to any one as the cost varies from \$2 a year for a non-resident and \$5 a year for a resident member, to \$1,000, in lieu of annual dues, for a founder's membership.

Teachers Committees Named

To take care of the expansion in its activities made necessary by the policies adopted at its recent annual meeting in Chicago, the American Association of University Teachers of Insurance has in-

creased its standing committees to six.

The chairmen are: Committee on collegiate preparation for insurance careers, H. J. Loman, University of Pennsylvania; professional standards in property and casualty insurance, S. S. Huebner, University of Pennsylvania; annual meeting program, E. L. Bowers, Ohio State University; nominating, Robert Riegel, University of Buffalo; publications, J. E. Hedges, Indiana University; membership, Chester A. Kline, University of Pennsylvania.

Ferre Watkins Gets Ill. Liquidation Bureau Post

Ferre C. Watkins, Chicago attorney, has been named general counsel for the Bureau of Liquidation of the Illinois Insurance Department by Governor Green. The salary is \$12,000, the best in the gift of the administration. He succeeds H. B. Hershey, Democratic candidate for governor last fall. Mr. Watkins is a graduate of Illinois Wesleyan law school, active in the American Legion, the Illinois and Chicago Bar Associations. He was active in the management of Governor Green's campaign.

The Insurance Check Chart helps to detect hazards. Get a copy for 75 cents from National Underwriter.

Famed Chicago Tax Ferret Dies

Herman B. Seely of Chicago, who had been a thorn in the side of the fire insurance companies for nearly 30 years, died in Chicago Memorial Hospital at the age of 86. For the past 20 years he had been operating as a tax ferret and stirred up fire insurance tax issues that eventuated in numerous, prolonged and expensive litigation.

He was always defeated on major issues, but some observers believe that he did manage to make something of a living from his activities.

Older people in the business will remember Seely because of his connection with the old Policyholders Union. That organization was started sometime prior to 1914 by George H. Holt, who was in the lumber business and owned the Manhattan building of Chicago. Some time after starting the Policyholders Union, Holt put Seely in charge of it. The union was engaged in giving advice to assureds and it also harassed the companies by sponsoring legislation and through other methods. At that time Rufus Potts was insurance commissioner and that was a time of much grief for insurance companies in Illinois. Pol-

icyholders Union was subsequently dissolved and in 1920, Seely started out as a tax ferret. He concentrated on the so-called section 30 or net receipts taxes. He had a contract from the school board, the sanitary district of Chicago and other governmental agencies to get a split on whatever he could recover in the way of additional taxes. At the time of his death he still had a contract with the sanitary district.

One of his demands was that the fire companies be taxed on a 100 percent basis and that their tax base should not be equalized as is other personal property in the state. He also tried to force the companies to pay back taxes on that basis to 1869. The companies took the issue to the United States Supreme Court in the Hanover case and won a victory. Another group of companies took the issue up to the U. S. Supreme Court in the Franklin National case.

Another point that he strove to establish was that the companies should be liable for the fire department tax in Chicago on all business written in Chicago regardless of where the property was located. That issue was taken up in the Commercial Union case and the companies were victorious. Another issue that he lost in litigation was that the premiums of reinsurance companies should be subjected to net receipts taxation.

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Answer



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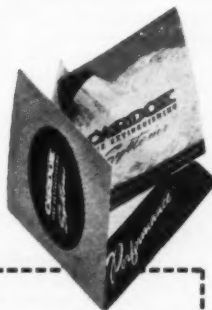
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NEWS OF FIELD MEN

Over 140 Attend Firemen's Parley

NEWARK—The Firemen's is holding its annual field men's conference at the home office here this week with over 140 field men from 18 states present. President John R. Cooney was toastmaster at the banquet. Howe S. Landers, president Commercial Casualty, spoke. Dr. J. L. Davis talked on "Philosophy, Facts and Fun," and Claude Bowden, Underwriters Laboratories, spoke on "Magic and Fire."

William B. Rearden, executive vice-president, was in charge of the meetings, which consisted of discussions by various field men and home office officials including G. J. Barney, F. G. Breen, T. W. Budlong, director of publicity; A. G. Dorger, R. L. Free, O. L. Hogue, R. Kellison, J. J. Lillis, R. K. May, G. C. Miller, F. H. Minton, R. A. Moore, and E. A. Yochum.

M. W. Mays, Business Development Office, spoke on "Competition."

This is the second conference to be held in Newark and a similar gathering was held in Dallas. A San Francisco parley is being held this week. A conference will be held in Chicago starting March 17.

North British Field Men to Kansas City Next Week

KANSAS CITY—The annual field men's conference of the western department of North British & Mercantile will be held here March 3-6. About 40 field men, general agents and company officials will attend.

John L. Mylod, assistant U. S. manager, New York, will be in charge of the meeting, which will be conducted as a series of round-table forums with everyone present participating in discussions. The meeting is scheduled for Kansas City partly as a compliment to Morton T. Jones, president of the Kansas City chamber of commerce and head of Kansas City F. & M.

Company officials who will be present are: Mr. Mylod, L. S. Bryant, general agent western department; A. W. Barthelmes, secretary and marine manager; A. E. Lehman, secretary and head of the automobile department; W. J. Traynor, publicity director; E. P. Foley, general agent western department; R. P. Stockham, assistant U. S. manager, all of New York City; W. R. Kirk, agency superintendent, and W. F. Sweazea, manager Chicago metropolitan department, from Chicago.

Honor Four Ohio Field Men Who Have New Assignments

COLUMBUS—The Ohio Blue Goose is giving a dinner March 3 at the Columbus Athletic Club for B. F. Flood, Royal-Liverpool; J. F. Lisy, Jr., Home; G. H. Thomas, Aetna Fire, and Oscar Ogden, National of Hartford, all of whom have been transferred from the Ohio field. Reservations are in charge of Rolf Rosenlund, Home, Hartman building. The gifts committee includes H. H. Chittenden, Home; T. O. Dye, Connecticut Fire; R. T. Huggard, Great American; W. H. Witherspoon, Aetna; N. B. Berry, Aetna, and D. P. Hague-Rogers, Eagle Star, and officers of the pond.

Seattle Pond Dinner Meeting

The Seattle Blue Goose held its first evening dinner meeting Feb. 24. A social hour preceded the meeting. This feature is an innovation suggested by A. E. Campbell, most loyal gander. Ganders whose birthdays were in February were hosts.

H. C. Swan, British consul, who recently returned from a visit to London, gave his personal observations of the bomb raids on the British capital.

The U. S. navy film, "Eyes of the Navy," was shown.

Indiana Pond Dinner Dance

The annual dinner dance of the Indiana Blue Goose was the high spot in its social activities for the year. J. W. Besterman, Employers' Fire, loyal gander, presided and introduced a number of guests. There were no speeches. R. W. Moon, Pearl Assurance, gave several solos. Don G. Kaga, Royal Exchange, was chairman of the entertainment committee.

Bayless to Kansas City

Beverly Bayless of the engineering department of the Royal group has been transferred from Chicago to Kansas City, where he has headquarters in the Federal building, servicing agents in adjoining states. He was formerly with the Michigan Inspection Bureau.

Ky. Speakers Bureau Active

LOUISVILLE—The Kentucky speakers bureau's recent sales demonstration was recorded on records. W. E. Kingsley, Travelers Fire; W. I. Hanson, Western Factory; T. J. Nicol, Aetna Fire; W. Kehnle, New York Underwriters, and Gordon Keltner, Aetna Casualty, represented stock companies in a skit, while Culver Vaughan, Louisville agent, took the part of a department store buyer and owner, supposed to be insured in the mutuals.

This week Branch Taber, Fidelity-Phenix, J. V. Bowman, Fire Association, pinch hitting for J. R. Thompson, First Kentucky; C. P. Thurman, Continental, and Capt. H. R. McDonald of the Louisville Salvage Corps were the speakers.

Kansas Pond Initiation

TOPEKA—The annual initiation party of the Kansas Blue Goose is scheduled for March 4 as a dinner-dance-bridge. William Barrett, New Hampshire, is general chairman in charge of arrangements. Annual meeting has been set for May 13-14 at Wichita. The Kansas pond raised \$111 for the British War Relief, largest of any local pond so far reported by the grand nest.

Fugate Joins Firemen's

KANSAS CITY—J. E. Fugate, in insurance here 12 years, has been appointed special agent for the Firemen's group, assisting Manager John Battershill. He replaces T. C. Hassett, resigned.

The first four years of Mr. Fugate's insurance career were spent in the Kansas City branch of Trinity Universal and he has been office manager for Central Insurers, Kansas City local agency, the past eight years.

Will Contact Trade Group

COLUMBUS—At the meeting this week of the Ohio Stock Fire Insurance Speakers Association, President D. P. Hague-Rogers, Eagle Star, appointed a committee consisting of K. J. Hoag, Fireman's Fund; H. H. Chittenden, Home, and B. O. Evans, lens Falls, to communicate with trade groups and associations relative to stock fire insurance.

At the meeting March 3, a skit, "Vital Facts on Mercantile Forms and Coverages," will be presented by R. E. Zimmerman, Commercial Union; R. E. Metzger, Reliable Fire, and W. L. Egel, Yorkshire, who will preside.

Schreiber Succeeds Trefz

W. L. Schreiber has been appointed special agent in western Pennsylvania and West Virginia for the Standard of New York, with office in the Vandergraft building, Pittsburgh. He succeeds C. H. Trefz, transferred to Michigan.

For several years Mr. Schreiber was agency superintendent of the Pearl for

Ohio, Kentucky and Tennessee and before that he was executive special in the central west for the Pacific National.

Get Bowman Campaign Under Way

LOUISVILLE—The Kentucky Blue Goose has started campaigning in earnest for its candidate, Col. Julius V. Bowman, Fire Association, for the post of grand keeper. A four page circular letter has been prepared setting forth Colonel Bowman's qualities and experience.

W. A. Nabors Joins Travelers

William A. Nabors of Dallas has been appointed special agent for Travelers Fire and Charter Oak Fire at Dallas.

An alumnus of Texas University, Mr. Nabors has had some eleven years' experience in the insurance business in Texas. For seven years he was connected with the Texas insurance department at Austin where he secured his basic information regarding rates and rating methods. For the past four years he has been in the field for Trinity Universal with headquarters at Dallas.

O. P. Rush to Travel Kansas

KANSAS CITY—O. P. Rush, Kansas City F. & M. vice-president, will travel Kansas throughout 1941, replacing State Agent Adrian H. Lindsay, who recently was inducted into the army. Mr. Rush will have headquarters in Kansas City.

Alamo Pond Plans Picnic

At a meeting of Alamo Blue Goose, San Antonio, George Henry, most loyal gander, announced members have contributed \$30 to be sent to the grand nest to aid in providing a British relief unit. R. G. Reinhackel, chairman of arrangements for the party held in January, announced it was a success and an outdoor picnic is planned. A committee consisting of Thomas Holleran, chairman, Standard of New York; Raymond Williams, Fireman's of Newark group, and W. L. Gravely, Home of New York, was named to arrange for the picnic.

NEWS BRIEFS

Having recovered sufficiently from his recent serious illness to leave the Maynard Hospital, W. P. Porep, retired Seattle field man for the Aetna Fire group, is now recuperating at the Friedlander Sanitarium, Seattle. He is up most of the time and is receiving callers.

How the United States is striving to build a modern, adequate merchant marine was explained to the San Francisco Blue Goose by R. H. Fouke, attorney and chairman of the board of the California Nautical School. A. M. Brown, Jr., of Edward Brown & Sons was chairman.

The Minnesota Fire Prevention Association will inspect Winona March 12.

R. W. Swanson, state agent America Fore and secretary North Dakota State Fire Prevention Association, spoke to the Mandan, N. D., Chamber of Commerce on plans for a proposed town inspection. Mr. Swanson also appeared before the legislative hearing in favor of the bill restricting the sale of fireworks.

The Kentucky Fire Prevention Association inspected LaGrange, with the Rotary Club cooperating.

A. H. Notten, new Iowa state agent of North British, was a guest at the weekly luncheon of the Iowa Blue Goose.

The Sunflower Blue Goose puddle at Wichita have raised funds to sponsor a high school boy for the annual "Boys State" being held in Wichita next June under the jurisdiction of the Americanization committee of the American Legion.

Robert Amory, president, Nashua Manufacturing Company, has been elected a director of Allied American Mutual Fire. He is also a director of the affiliated American Mutual Liability.

STOCKS

By H. W. Cornelius, Bacon, Whipple & Co., 135 So. La Salle St., Chicago, at close of business Feb. 24, 1941.

	Par	Div.	Bid	Asked
Aetna Cas.	10	4.50*	126	129
Aetna Fire	10	1.80*	52	54
Aetna Life	10	1.40*	26	28
Amer. Alliance ..	10	1.20*	21 1/2	23
Amer. Equitable ..	5	1.00	18	19 1/2
Amer. Home	10	...	5 1/2	6 1/2
Amer. (N. J.) ..	2.50	.60*	12 1/2	13 1/2
Amer. Surety	25	2.50*	45 1/2	47 1/2
Automobile	10	1.40*	36	38
Balt. Amer.	2.50	.40*	7	7 1/2
Bankers & Ship ..	25	5.00	97	100
Boston	100	21.00*	610	630
Camden Fire	5	1.00	19 1/2	21
Carolina	10	1.30	28 1/2	30
Contl. Cas.	5	1.50*	33	35
Contl. N. Y.	2.50	2.00*	36	38
Fidelity-Phen.	2.50	2.00*	35 1/2	37
Fire Assn.	10	2.50*	62	65
Firemen's (N.J.) ..	5	.40	9 1/2	10 1/2
Franklin Fire ..	5	1.40*	30	32
Gen. Reinsur.	5	2.00	38 1/2	40
Georgia Home ..	10	1.20*	23	26
Glens Falls ..	5	1.60	43 1/2	45 1/2
Globe & Repub. ..	5	.50	9 1/2	10 1/2
Gt. Amer. Fire ..	5	1.20*	25 1/2	27
Gt. Amer. Ind.	1	.20	10	11
Halifax	10	1.00**	11	12
Hanover Fire ..	10	1.20	25 1/2	27
Hartford Fire ..	10	2.50*	82 1/2	85
Home Fire Sec.	10	...	1 1/2	2 1/2
Home (N. Y.) ..	5	1.60*	30 1/2	32
Ins. Co. of N. A.	10	3.00*	66	68
Maryland Cas.	1	...	2 1/2	3 1/2
Mass. Bonding ..	12.50	3.50	62	64
Mer. (N.Y.) Com. ..	5	2.00*	47	49
Natl. Cas.	10	1.00	24 1/2	26
Natl. Fire	10	2.00	58	60
Natl. Liberty	2	.40	7 1/2	8 1/2
Natl. Un. Fire ..	20	5.00*	140	145
New Amst. Cas.	2	.77 1/2	17	18
New Hampshire ..	10	1.80*	45	47
Northern (N.Y.) ..	12.50	5.00*	96	99
North River ...	2.50	1.00	24 1/2	26
Ohio Cas.	5	1.20*	36	38
Phoenix, Conn.	10	3.00*	84	87
Preferred Accl.	5	.80	13	14
Prov. Wash.	10	1.40*	34 1/2	36
St. Paul F. & M.	62.50	8.00	244	254
Security, Conn.	10	1.40	33	35
Sprgfld. F. & M.	25	4.75*	120	123
Standard Accl.	10	2.50	45	47
Travelers	100	16.00	400	415
U. S. Fire	4	2.00	47	49
U. S. F. & G.	2	1.00	21 1/2	23

*Includes extra. **Canadian funds.

Numerous Promotions Made by Cardox Corporation

In line with its recent expansion program and rapid growth, Cardox Corporation of Chicago announces five executive promotions. Three are in the newly created fire division and one in the safety coal mining division.

Those receiving promotions are J. H. Bell, to executive vice-president (also in charge of mining activities); Eric Geertz, to vice-president in charge of the fire division, and Harry Ensminger, to general sales manager of the same division. In addition, Lawrence E. Lawson was promoted to vice-president of the carbon dioxide gas division, and Dr. C. A. Getz to director of research.

The Cardox Corporation employs carbon dioxide to mine coal, fight fire, and "charge with bubbles" soft drink beverages. The inherent properties of this inert gas make these many applications possible.

The secret in mining with carbon dioxide is its tremendous expansion ratio (from liquid to gas) which dislodges coal in a heaving action instead of a shattering blast. In fire extinguishment, carbon dioxide smothers and cools while causing no damage. In addition, the Cardox system of fire extinguishment stores bulk quantities of carbon dioxide in liquid form at low temperature and low pressure. This affords great economy.

With fire sabotage uppermost in the minds of many manufacturers and building owners at the present time, the Cardox system of fire extinguishment is receiving much attention.

Fred Colvin, Jr., in New Move

SIOUX CITY—Fred W. Colvin, Jr., announces the consolidation of the Colvin agency with the Cooper Co., a real estate office which has been operated by A. C. Cooper, and the removal of both offices to their new modern building at 614 Pierce street. Mr. Colvin will continue as manager of the insurance department of the Cooper Co. The company has also purchased the insurance business of the late D. G. Manley.

NEWS OF THE COMPANIES

O'Gorman Becomes General Counsel of America Fore

Terence J. O'Gorman has been advanced to general counsel and George R. Carey to the counsel for all companies of America Fore group.

Previously counsel of the group, Mr. O'Gorman has served with the organization since 1932 when he joined it as chief trial counsel for Fidelity & Casualty. Born in Jersey City, 1896, he attended Dickinson High School, Rutgers College and Fordham University Law School where he secured his L.L.B. After graduation, Mr. O'Gorman entered the insurance business in the legal department of London Guarantee & Accident, later going with United States Casualty as trial counsel.

George R. Carey, formerly associate counsel, has been with the organization since 1925 in the legal department of Fidelity & Casualty. He was born in Jersey City, 1902, attended Stevens Prep and Dickinson High School and graduated from St. Johns College School of Law with the degrees of L.L.B. and L.L.M.

New Hampshire Assets, Premiums, Surplus Higher

Increase in assets of more than \$696,000, increase in premium reserve of \$354,000, an increase in net premiums of \$475,000 and an increase in surplus of \$218,891 is reported by New Hampshire Fire in its new statement.

The loss ratio was .89 percent higher and the expense ratio was 1.22 percent lower. Investment income was just about the same as the previous year.

Premiums amounted to \$5,023,270, losses \$2,174,025.

The number of losses paid during 1940 was 26,406 and the average loss per claim was \$89.

Shows 10 Percent Increase

An increase of just about 10 percent in premium reserve, indicating a very sharp increase in premium writings, is reported by Hanover Fire in its new statement. The premium reserve is now \$5,836,876, an increase of \$580,481. Assets amount to \$16,633,489, a gain of \$386,231. The loss reserve is higher by \$259,742 and there were other increases in liabilities that drew upon surplus. The surplus to policyholders is now \$8,859,630 as compared with \$9,515,886 a year ago. At market, the assets would be \$16,809,186.

Treasury OK's Sale to Carvalho

Sale of control of Metropolitan Fire Reassurance to a group of American interests headed by B. N. Carvalho has now been made possible. Approval for sale was given by the foreign control committee of the treasury department. Mr. Carvalho is president of Metropolitan Fire Re and also of the affiliated Northeastern. The purchase price will be based on the book value as at Oct. 30, 1940. Metropolitan was organized in 1932 by the merger of Reassurance Company of New York and Metropolitan Fire of New York. Metropolitan owns 2,000 shares of Northeastern and 500 shares of Seaboard F. & M.

K. C. F. & M. Concentrating

The Kansas City Fire & Marine, furthering its policy of readjusting its operations to the most profitable basis, has withdrawn from Texas so far as an agency plant is concerned. This has been done in the belief that the company's effort will be best served by concentrating on states immediately surrounding the home office, according to Morton T. Jones, president. The company is seeking to give a highly personalized, intensive service in its nearby territory, rather than scattering its attention in such states as Texas and California, which are at some distance.

Reinsurance Corporation Writings Sharply Ahead

Reinsurance Corporation of New York in its new annual statement, reports assets of \$6,857,170. The premium reserve is \$687,769 which is an increase of nearly \$400,000 and indicates that the company is retaining a considerably larger proportion of liability assumed for its own account. Capital is \$1,530,000 and net surplus is \$4,345,242. Reinsurance Corporation is under the management of the Excess Management Corporation of New York.

Gross premiums, net of returns and cancellations, written by Reinsurance Corporation in 1940 amounted to \$3,760,250 as compared with \$1,826,402 in 1939. Net premiums retained, after reinsurance ceded, were \$1,223,368 in 1940 and \$548,921 in 1939. The increase in premiums, both gross and net, was distributed among all types of reinsurance—excess of loss, participating and surplus treaty covering fire and allied lines and inland marine.

Because of the increase there was a statutory underwriting loss of \$70,929,

although the trade profit amounted to \$318,941. Premiums earned during 1940 were \$833,497 as compared with \$553,501 in 1939.

Interest and dividends earned after investment expenses and taxes amounted to \$261,982 for 1940 as compared with \$233,258 for 1939. Dividends aggregating \$229,509 were paid in 1940, being at the rate of 30 cents per share.

Reinsurance Corporation has been instrumental in the development of an all-American market for all types of reinsurance. The corporation enlarges the scope of the protection it offers by sharing risks it assumes with National Reinsurance Corporation and with the Excess Reinsurance Association which is now comprised of 11 large American fire companies. The association as a group has adequate financial resources to provide "admitted reinsurance" on a nationwide scale.

Factory Mutual Men in Service

Three men in the factory mutual system are now engaged in fire protection work for the navy and war departments. Carl G. Richmond, who was district engineer at Buffalo for Boston Manufacturers Mutual, Arkwright Mutual and Cotton & Woolen Manufacturers Mutual, is now a major attached to the war

department. Harold Hughes, who was district engineer in New York City for Arkwright Mutual, is in fire protection work for the navy department and R. E. Wilson, who was Philadelphia manager for the inspection department of the factory mutuals, is in Washington for the war department.

Six Headliners Are in General Agents Program

Six of the speakers who will appear at the annual meeting of the American Association of Insurance General Agents at Hollywood, Fla., April 7-9 are announced. They are: E. W. Elwell, U. S. manager of Royal Exchange; Payne Midyette, Tallahassee, Fla., president National Association of Insurance Agents, and Hunter Brown of Pensacola, president Florida Insurance Agents Association.

Others who will appear are J. Dewey Dorsett, manager casualty department Association of Casualty & Surety Executives; A. E. Gilbert, vice-president Hanover Fire, and J. Edwin Larson, state treasurer and insurance commissioner of Florida.

Build your canvass on visual selling. Write The National Underwriter for information on the Accident & Health Sales Pictorial.

American Equitable Assurance Company of New York
Organized 1918 Capital \$1,000,000.00

Globe & Republic Insurance Company of America
Philadelphia, Pa. Capital \$1,000,000.00 Established 1862

Knickerbocker Insurance Company of New York
Organized 1913 Capital \$1,000,000.00

Merchants and Manufacturers Insurance Company of New York
Organized 1849 Capital \$1,000,000.00

New York Fire Insurance Company
Incorporated 1832 Capital \$1,000,000.00

United States Fire Department
Switzerland General Insurance Company, Ltd.
Zurich, Switzerland Established 1869



Losses paid exceed
Two Hundred and Fifty Million Dollars

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CHICAGO

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EXPERIENCE IN 1940 BY LINES

AGRICULTURAL		
	Net Prems.	Losses Pd.
Fire	\$3,969,390	\$1,716,317
Tornado-windstorm..	141,773	67,498
Sprinkler leakage..	14,994	7,024
Riot and explosion..	13,016	2,548
Earthquake	9,841	1,361
Hail	8,416	82,606
Motor vehicle	1,679,153	760,029
Ocean marine	748,767	239,554
Inland marine	186,452	66,176
Aircraft	17,512	3,704
Extended coverage..	266,219	59,413

AMERICAN ALLIANCE		
	Net Prems.	Losses Pd.
Fire	\$1,418,132	\$ 600,375
Tornado-windstorm..	68,072	25,268
Sprinkler leakage..	7,353	1,830
Riot and explosion..	10,960	1,968
Earthquake	2,824	91
Hail	48,151	18,080
Motor vehicle	163,931	75,426
Inland marine	69,854	29,827
Aircraft	30,585	8,801
Other lines	97,480	23,232

AMERICAN CENTRAL		
	Net Prems.	Losses Pd.
Fire	\$1,580,118	\$ 660,224
Tornado-windstorm..	68,523	72,420
Sprinkler leakage..	4,725	1,895
Riot and explosion..	10,774	7,838
Earthquake	3,412	7
Hail	7	7
Motor vehicle	400,380	190,648
Inland marine	67,855	31,643
Other lines	119,308	437

AMERICAN EAGLE FIRE		
	Net Prems.	Losses Pd.
Fire	\$2,039,649	\$ 905,922
Tornado-windstorm..	52,846	28,997
Sprinkler leakage..	12,431	4,726
Riot and explosion..	19,777	855
Earthquake	4,783	.....
Hail	12,166	1,596
Motor vehicle	429,193	155,857
Ocean marine	467,870	153,944
Inland marine	160,452	68,268
Aircraft	5,935	4,530
Extended coverage..	125,342	22,921

AMERICAN FIRE, TEX.		
	Net Prems.	Losses Pd.
Fire	\$ 35,637	\$ 17,052
Tornado-windstorm..	2,545	1,025
Motor vehicle	86,079	32,793
Extended coverage..	4,881	1,907

AMERICAN NEWARK		
	Net Prems.	Losses Pd.
Fire	\$9,414,119	\$3,959,006
Tornado-windstorm..	858,576	368,935
Sprinkler leakage..	30,666	11,199
Riot and explosion..	17,392	17,392
Earthquake	23,006	848
Hail	184,027	42,512
Motor vehicle	1,606,663	637,368
Ocean marine	1,322,035	433,297
Inland marine	1,532,052	868,519
Aircraft	701	85
Other lines	402,908	365,564

AMERICAN UNION		
	Net Prems.	Losses Pd.
Fire	\$ 258,683	\$ 110,994
Tornado-windstorm..	10,404	8,321
Sprinkler leakage..	90	72
Riot and explosion..	1,600	186
Earthquake	—153	.....
Aircraft	1	.....
Extended coverage..	31,626	4,741

ANCHOR		
	Net Prems.	Losses Pd.
Fire	\$ 241,084	\$ 169,072
Tornado-windstorm..	9,782	4,329
Sprinkler leakage..	881	399
Riot and explosion..	—242	12
Earthquake	882	.....
Motor vehicle	136,603	61,636
Ocean marine	92,041	31,780
Inland marine	121,663	41,529
Aircraft and motor vehicle P. D.	7	.....
Extended coverage..	30,308	8,924

ASSOCIATED F. & M.		
	Net Prems.	Losses Pd.
Fire	\$ 35,387	\$ 1,808
Tornado-windstorm..	63	14
Riot and explosion..	7	.....
Earthquake	100	.....
Motor vehicle	57,220	11,354
Extended coverage..	3,533	302

BOSTON		
	Net Prems.	Losses Pd.
Fire	\$2,928,840	\$1,226,498
Tornado-windstorm..	112,739	40,811
Sprinkler leakage..	9,631	5,049
Riot and explosion..	17,302	2,958
Earthquake	4,076	.....
Motor vehicle	599,863	238,743
Ocean marine	1,200,743	467,344
Inland marine	368,944	140,109
Aircraft	232	—65
Other lines	8,824	7,266
Extended cover	217,789	44,150

BRITISH GENERAL		
	Net Prems.	Losses Pd.
Fire	\$ 263,352	\$ 110,891
Tornado-windstorm..	11,821	12,507
Sprinkler leakage..	813	327
Riot and explosion..	1,845	1,340
Earthquake	580	1
Hail	1	.....
Motor vehicle	69,176	32,939
Inland marine	29,112	10,547
Other lines	20,586	76

CALIFORNIA		
	Net Prems.	Losses Pd.
Fire	\$ 987,375	\$ 413,337
Tornado-windstorm..	43,121	45,877
Sprinkler leakage..	2,971	1,192
Riot and explosion..	6,765	4,945
Earthquake	2,138	5
Hail	5	.....
Motor vehicle	252,063	120,024
Inland marine	29,445	10,549
Flood	72	34
Extended coverage..	75,009	251

CAMDEN FIRE		
	Net Prems.	Losses Pd.
Fire	\$3,358,229	\$1,345,892
Tornado-windstorm..	157,260	53,671
Sprinkler leakage..	10,029	6,365
Riot and explosion..	16,770	2,718
Earthquake	5,823	.....
Hail	11,168	4,364
Motor vehicle	1,817,483	1,169,378
Ocean marine	176,052	115,184
Inland marine	408,488	163,576
Aircraft	379	134
Other lines	519	.....
Extended coverage..	225,853	44,152

CAPITOL FIRE, CAL.		
	Net Prems.	Losses Pd.
Fire	\$ 216,764	\$ 90,130
Tornado-windstorm..	6,323	2,910
Sprinkler leakage..	1,361	703
Riot and explosion..	1,992	410
Earthquake	845	134
Hail	86	44
Motor vehicle	37,335	16,073
Ocean marine	2,323	.....
Inland marine	12,919	4,095
Aircraft	4,127	1,221
Other lines	15,572	3,725

CENTRAL, MD.		
	Net Prems.	Losses Pd.
Fire	\$ 743,324	\$ 300,350
Tornado-windstorm..	21,101	10,591
Sprinkler leakage..	3,077	2,080
Riot and explosion..	7,238	187
Earthquake	1,383	.....
Hail	26,055	.....
Motor vehicle	184,933	72,866
Ocean marine	33,810	8,366
Inland marine	22,539	336
Aircraft	336	121
Extended coverage..	52,544	10,917
All other	1,832	1,074

CENTRAL UNION		
	Net Prems.	Losses Pd.
Fire	\$ 109,342	\$ 42,364
Tornado-windstorm..	3,441	2,444
Sprinkler leakage..	11	37
Riot and explosion..	719	8
Earthquake	39	.....
Aircraft	5	.....
Extended coverage..	7,352	1,146

CENTURY		
	Net Prems.	Losses Pd.
Fire	\$ 879,512	\$ 449,857
Tornado-windstorm..	45,420	21,083
Sprinkler leakage..	4,003	1,660
Riot and explosion..	9,708	3,675
Earthquake	4,850	.....
Motor vehicle	120,685	66,594
Ocean marine	961,914	342,159
Inland marine	81,591	33,308
Extended coverage..	57,506	12,695

CITIZENS, N. J.		
	Net Prems.	Losses Pd.
Fire	\$ 266,597	\$ 116,227
Tornado-windstorm..	7,735	4,080
Sprinkler leakage..	998	229
Riot and explosion..	1,697	32
Earthquake	224	.....
Motor vehicle	34,492	16,218
Ocean marine	152,676	44,491
Inland marine	15,202	6,287
Aircraft	371	134
Extended coverage..	12,143	1,796

COLUMBIA FIRE, N. J.		
	Net Prems.	Losses Pd.
Fire	\$ 387,858	\$ 166,598
Tornado-windstorm..	35,225	15,699
Sprinkler leakage..	1,305	477
Riot and explosion..	6,746	740
Earthquake	956	36
Hail	7,831	1,809
Motor vehicle	68,369	27,122
Ocean marine	53,944	33,235
Inland marine	30	.....
Aircraft	14,868	15,040
Other lines .....	.....	.....

COMMERCIAL UNION, ENG.		
	Net Prems.	Losses Pd.
Fire	\$2,846,283	\$1,197,645
Tornado-windstorm..	127,768	134,300
Sprinkler leakage..	9,224	3,752
Riot and explosion..	18,932	12,614
Earthquake	6,332	13
Hail	13	4
Motor vehicle	742,904	354,193
Ocean marine	1,097,184	397,732
Inland marine	1,238,887	395,743
Other lines	221,959	803

COMMERCE, N. Y.		
	Net Prems.	Losses Pd.
Fire	\$1,045,206	\$ 435,258
Tornado-windstorm..	36,646	13,245
Sprinkler leakage..	3,202	2,297
Riot and explosion..	17,892	—295
Earthquake	692	.....
Hail	1,754	.....
Motor vehicle	416,292	203,566
Ocean marine	6,584	3,001
Inland marine	26,641	11,693
Extended coverage..	75,849	12,558

COMMERCIAL UNION, N. Y.		
	Net Prems.	Losses Pd.
Fire	\$ 615,701	\$ 257,875
Tornado-windstorm..	27,038	28,596
Sprinkler leakage..	1,861	748
Riot and explosion..	4,231	3,083
Earthquake	1,334	3
Hail	3	.....
Motor vehicle	158,137	75,299
Inland marine	29,273	10,548
Other lines	47,083	172

CONTINENTAL		
	Net Prems.	Losses Pd.
Fire	\$13,496,005	\$5,638,602
Tornado-windstorm..	957,877	422,680
Sprinkler leakage..	55,836	16,698
Riot and explosion..	110,886	2,532
Earthquake	52,683	1,988
Hail	286,279	103,434
Motor vehicle	3,197,657	1,357,796
Ocean marine	1,750,499	575,294
Inland marine	830,524	325,480
Aircraft	20,351	15,532
Other lines	923,538	205,971

COUNTY FIRE		
	Net Prems.	Losses Pd.
Fire	\$ 340,113	\$ 146,146
Tornado-windstorm..	17,343	5,054
Sprinkler leakage..	1,949	414
Riot and explosion..	2,777	591
Earthquake	744	18
Hail	9,630	3,616
Motor vehicle	33,164	15,085
Inland marine	13,999	6,012
Aircraft	6,117	1,760
Other lines	20,780	5,025
Perpetual policies..	198	.....

DETROIT F. & M.		
	Net Prems.	Losses Pd.
Fire	\$ 624,000	\$ 264,700
Tornado-windstorm..	30,979	10,107
Sprinkler leakage..	3,420	780
Riot and explosion..	4,969	984
Earthquake	1,309	37
Hail	19,260	7,232
Motor vehicle	65,950	30,170
Inland marine	27,969	11,978
Aircraft	12,234	3,520
Other lines	40,276	9,672

DIXIE FIRE		
	Net Prems.	Losses Pd.
Fire	\$ 196,928	\$ 83,299
Tornado-windstorm..	18,268	7,850
Sprinkler leakage..	653	238
Riot and explosion..	3,373	370
Earthquake	489	18
Hail	3,916	905
Motor vehicle	34,184	13,561
Inland marine	28,009	16,618
Aircraft	15	.....
Other lines	8,234	7,519

EAGLE FIRE, N. Y.		
	Net Prems.	Losses Pd.
Fire	\$ 434,527	\$ 187,344
Tornado-windstorm..	17,860	8,458
Sprinkler leakage..	1,420	950
Riot and explosion..	1,053	377
Earthquake	3,207	.....
Hail	204	.....
Motor vehicle	68,364	22,877
Inland marine	14,540	6,922
Aircraft	123	46
Extended coverage..	44,842	10,984

EMMCO		
	Net Prems.	Losses Pd.
Motor vehicle	\$6,697,020	\$1,818,706

EMPIRE STATE		
	Net Prems.	Losses Pd.
Fire	\$ 885,441	\$ 409,838

LEGISLATION

Proposes Tax Revision Bill

LOS ANGELES — Commissioner Caminetti has submitted a proposed gross premium tax bill to the California legislative conference in which he seeks to eliminate the right to offset taxes on real estate against gross premium taxes and at the same time reduce the gross premium tax rate in proportion to the amount of offset eliminated. A meeting on the bill is being held this week.

California — Commissioner Caminetti is backing A. B. 1403 which gives him greater power over automobile-dealer agents and brokers. It requires that a copy of the policy or a certificate containing the facts and details of the policy, be delivered to the buyer or the borrower and also to the persons named in the policy. It was pointed out that many buyers of cars are given or assume the impression that they are also covered for property damage and public liability insurance. The bill seeks to make the entire insurance coverage clear to all concerned.

May Write Full Coverage

ABERDEEN, S. D. — Governor Bushfield has signed a bill providing that fire companies may write full coverage automobile casualty insurance. The measure is designed to equalize rights of insurance companies. Formerly casualty companies could write fire insurance, but fire companies could not write casualty insurance.

Oregon — S. B. 271 provides that insured fire losses shall be paid within 30 days after determination of settlement rather than within 60 days.

Iowa — A bill returning the collection of premium taxes to the state insurance department instead of the tax commission has been introduced with the endorsement of the state tax commission. S. F. 311 allows motor vehicle truck operators to file a certificate of insurance as well as a surety bond with the state commerce commission.

The senate has passed the bill requiring radio announcers using insurance copy either "soliciting or advertising, or announcing by radio" to obtain an agent's license from the state insurance department.

S. F. 252 passed permitting the insurance commissioner to impose all charges and regulations on foreign reciprocal exchanges imposed upon Iowa exchanges in foreign states.

S. F. 267 passed by the senate gives attorney-in-fact for reciprocal or inter-insurance exchange right to keep subscriber accounts with separation of all records and provides for \$10,000 bond for attorney-in-fact.

Washington — The house insurance committee gave a "do pass" recommendation to the proposed change in the surplus line brokers' law (H. B. 345), which would make a risk eligible for non-admitted placement if coverage could not be secured from a "majority" of admitted companies.

New York — The bill amending the insurance law to permit issuance of the proposed revised standard fire policy, ordered out of the Senate insurance committee last Thursday, has been referred back to the committee for further consideration.

Ohio — H. B. 567 provides for premium and fire marshal's taxes on reciprocals.

S. B. 218 permits the superintendent of insurance to open an account in the name of each company and agency which licenses agents and solicitors and to charge that account with each license issued. Statements would be issued monthly. It is held that such procedure

Leaders in Pa. Agency Organization



Three important factors in agency organization work in Pennsylvania were snapped prior to the banquet during Pittsburgh Insurance Day. Left to right—W. Ray Thomas of Pittsburgh, president Pennsylvania Association of Insurance Agents; Miss Bessie M. Snyder, executive secretary Pittsburgh Association of Insurance Agents, and Frank D. Moses of Harrisburg, secretary Pennsylvania State Association.

would greatly simplify the mechanics of issuing about 100,000 licenses each year. The companies are required to pay cash for each license issued at the time of issue. The plan results in a cumbersome accounting system.

Nebraska — The governor has signed a bill which sets a \$50,000 minimum surplus limit for domestic mutuals.

Wisconsin — Several bills heard before the senate committee on corporations and taxation and reported for passage have been sent through the engrossment stage.

They include a bill to require a year's residence in Wisconsin before an agent can obtain a license and calling for its cancellation upon removal from the state; compelling town mutuals to file a schedule of rates and changes instead of filing only by Feb. 1 of each year;

permitting town mutuals to fix the time by which insured must pay his pro rata share of losses sustained by members instead of present 30 days from date of notice; providing that if the office of secretary and treasurer of a town mutual is held by the same person the bond must be filed with the president.

Other senate bills are scheduled for a public hearing March 5.

According to law, everyone is charged with the duty to conduct his or her affairs with the care which a reasonably prudent person would exercise. Failure to exercise such reasonable care constitutes what is generally known as "negligence," which is the basis of any legal liability claim for damages. Just what constitutes negligence in any particular set of circumstances is a question of fact to be determined by a court or jury.



ONE HUNDRED YEARS ago the shipping industry of the thriving seaport of New Haven, Connecticut, could obtain insurance on hulls and cargoes only in New York, Hartford, Boston or London. But there was no telephone in those days, much less telegraph, cable or wireless—and time meant money in the West Indies and China trade. So a group of New Haven's "Merchant Princes"—shippers, ship owners, local business men—formed their own insurance company.... Today that company, The Security of New Haven, is celebrating its 100th Anniversary Year—and instead of writing mainly marine risks, it and its subsidiary companies now write practically every kind of insurance except life.

Capital Stock Companies
Operating Solely Through
Local Agents



NATIONAL UNION

FIRE INSURANCE COMPANY

PITTSBURGH PA.



A LEADER AS A GOOD AGENCY COMPANY



North America Replies to Attack by W. H. Bennett

(CONTINUED FROM PAGE 3)

our agents in helping them secure and retain business which they otherwise might not be able to do.

"Needless to say, Mr. Bennett's query as to whether we intend to abandon the agency system (we having been the original founders in the United States) is foolish. No company is more aware of the value of a good agency system than is the North America, and it is for the purpose of helping our agents that we propose to explore this field, as we have been urged to do."

North America has also sent a supplementary communication to stockholders, reading:

"As a number of inquiries have been received relative to the proposal that the board of directors be authorized to permit the issuance of participating policies, perhaps a few words of explanation are desirable.

"In the first place the Insurance Company of North America is and will continue to be a stock company organized for profit and operated in the best interests of the owners, that is, the stockholders. The only purpose of the proposal is to put us in position to safeguard and promote the earnings of the company available for payments to stockholders through being in position to best serve the public.

Other Stock Companies Act

"A number of stock companies already have authority lodged in their directors to permit the issuance of such policies.

"I want particularly to call your attention to the fact that it is proposed, not that authority to issue participating policies be given to the management, but simply that authority be given to the directors to permit the issuance of such policies, should the directors deem advisable their issuance at some future time.

"The directors are elected by, represent and act in behalf of the stockholders. Should they exercise this power under such authority, if granted, you may rest assured it would be because the directors consider it in the best interest of the company, and therefore of the stockholders.

"We feel that the stockholders will perceive the wisdom of the company putting itself and its agents in position to meet certain classes of competition.

"I hope that it has been made clear that the intention is merely to be prepared with the necessary authority, should the directors deem advisable the issuance of participating policies in some one or more classifications at some future time."

British Poster Exhibit

An invitation has been extended to the public to visit an unusual display of British war-time posters now on exhibition at the New York downtown branch of the British War Relief Society in the Royal Building, 150 William street, New York.

This collection contains more than 75 posters which are graphic and arresting reminders of the range of Britain's defense and air raid precaution activities and of the courage, enthusiasm and confidence which makes them so effective.

Near the entrance of the exhibit is a large official map depicting the locations in Germany which have felt the effects of R. A. F. bombing.

The exhibit will be open from nine a. m. to 5:30 p. m. every week day except Saturday, the Saturday hours being from nine a. m. to 1:30 p. m. Visitors will also be interested in many other exhibits at the branch which record the cooperation it has received in carrying on its many forms of relief work.

State vs. Federal Control Conflict Rapidly Developing

NEWARK—Emphasizing the need for vigilance in watching legislative trends, W. H. Bennett, general counsel National Association of Insurance Agents, pointed to the rapidly developing conflict between the requirements and desires of the federal government and the old states' rights theory in a talk before the Insurance Women of New Jersey here.

State supervising officials are tenaciously holding on to their supremacy on all insurance questions, for which they cannot be blamed, and are refusing to recognize or consider an approaching danger that may eventually result disastrously to the whole theory of state supervision. As an example of this, Mr. Bennett reviewed the Home Owners' Loan Corporation insurance complications. The attitude of the insurance departments in claiming that the HOLC insurance contract was made without their knowledge or consent and that it is in violation of state rebating or anti-discrimination statutes, may force the federal government to become a self-insurer on these properties. Such action would result in the states losing taxes on this business and the agents losing commissions and the companies a large volume of premiums.

War Problems Faced

The war situation may create another serious problem for the insurance business. There is a bill pending in the British parliament which provides insurance coverage on immovable property destroyed or threatened by destruction during the war. Premiums would be paid half by the property owner and half by the government. Similar action may be considered in the United States. "After Congress gets the national defense program well organized and in hand, the leaders there will be looking around for 'other worlds to conquer.' This new British insurance scheme may furnish green pastures in which to browse. The business of insurance ought to meet situations such as this before they become an actual menace."

The old Paul vs. Virginia discussion of the U. S. Supreme Court, which leaves the control and supervision of insurance to the states is no longer the protection against federal activities that it once was. It is entirely possible for Congress to decide that the restrictions and burdensome state insurance laws are interfering with the national defense program and are not in harmony with the modern economic era. There is little doubt that the present Supreme Court justices would uphold such legislation, sweeping Paul vs. Virginia into discard.

The theory that insurance is not interstate commerce and thus does not come under the minimum wage and hour law is now on very thin ice, Mr.

H. B. Corell, 23 Years with Mich. Department, Ousted

LANSING, MICH.—H. B. Corell, veteran first deputy insurance commissioner, who has been with the Michigan department 23 years, most of that time in his present position, has been dismissed.

Corell is a Republican but his status was not questioned during the Democratic administrations of former Governors Comstock and Murphy when C. E. Gauss served as commissioner. Mr. Gauss made no political changes in the department and declared on many occasions that he felt it unwise to interfere with personnel in a division requiring so high a degree of technical knowledge.

Frank M. Cordero, Detroit, has been named to succeed Mr. Corell. While lacking in insurance experience, so far as could be learned here, he is said to be a trained accountant and tax expert. He was formerly secretary of the Democratic state central committee, and served as assistant Wayne county clerk 1933-1936.

Bennett pointed out. The administrator of the wage and hour act is rapidly moving toward including the business of insurance under the law. Other governmental departments are beginning to rule that although Paul vs. Virginia says insurance is not commerce, nevertheless it is a transaction in and affecting commerce and, therefore, subject to any law which congress may pass having any relation to the operation of the insurance business or anyone in it.

It seems to be within the bounds of possibility that it is now but a step for the federal government to take over by Congressional enactment the supervision and administration of the insurance business. "Such a step will create a revolution in the state supervising end of the insurance business and it may be that the business will abandon the old theory that it is better to suffer the ills we now have than to flee to those we know not of, and to consent to the substitution of one ruler over that of the many which we now enjoy."

President Ada V. Doyle presided. Ann Dirion, entertainment chairman, gave the welcoming message. Christine B. Nolan gave a talk and Dorothy Schlichting reported on the clinic that is to be held at the meeting March 20.

Beatrice E. Caldwell, special agent of Franklin Fire at Camden, told about the new forum group that has been started in her city. T. S. Brown, past president of the New Jersey Association of Underwriters, gave a talk. Bertha Collins introduced Mr. Bennett.

Phoenix Cincinnati Quarters

CINCINNATI—Phoenix of Hartford has opened permanent quarters at 1129 Chamber of Commerce building with R. W. Grim, special agent, in charge. Mr. Grim was recently transferred from Columbus to Cincinnati.

Insure Against Loss from Infantile Epidemic

Insurance of expenses incurred by a promoter on large, special shows, such as peach festivals, boat shows, fairs, etc., in case of an infantile paralysis epidemic, has made its appearance, and one such policy was written last week.

The promoter has an insurable interest against loss of expenses if he should be prevented from earning his costs by reason of such an epidemic.

A determining feature as to whether the epidemic is sufficiently severe to close the show and make the insurer liable is to be determined by a local hospital or health authority of integrity, who is specifically named in the policy.

The coverage is similar to rain insurance. The rate in the instance last week was not disclosed, but from 2 to 5 percent is said to be something close to what the charge should be. Rain insurance runs from 8 to 10 percent, but the hazard in connection with an infantile epidemic would not be, of course, so great.

The policy would not protect against "fear." There have to be enough cases of infantile to make an epidemic. Definition of how many this would require is up to the hospital or health authority selected. They measure the severity of the epidemic.

A fairly high premium in relation to the total insurable value, say \$50 to \$75 on a \$2,000 to \$3,000 expense, would probably not be out of line on promotions of this type. The promoter could include the premium as a part of the expense and insure the premium itself. Easing of the premium load could be secured by increasing slightly the cost to each exhibitor in the show, with a return if the event went off according to schedule.

A fairly lively market may exist for this type of insurance. Apparently the agency placing the coverage last week had no trouble getting it underwritten.

New Michigan Commissioner Honored at Detroit Dinner

DETROIT — Company executives here honored incoming Commissioner Berry, and paid tribute to the retiring commissioner, John G. Emery of Grand Rapids. Approximately 80 prominent Detroit insurance men attended the banquet and get-together.

William G. Curtis, president National Casualty, was chairman. Walter L. Otto, president Michigan Mutual Liability, was toastmaster. George K. March, president Detroit National Fire, and J. J. Ramsey, general manager of Detroit Inter-Insurance Exchange, were in charge of arrangements.

Among the speakers were Mayor Jeffries and Senator Hammond, Benton Harbor, chairman of the senate insurance committee.

Every branch of the insurance business and all Detroit insurance companies were represented. Other speakers who made short addresses were: Charles C. Bowen, president of Standard Accident; E. W. Thompson, supreme commander of Maccabees, and Ralph Thomas, vice-chairman of Detroit Inter-Insurance Exchange.

Hartford College Marine Course

The Hartford College of Insurance has added to its curriculum a one semester evening course in inland marine to be completed in 18 periods of two hours each. The class will be held two nights weekly through March and one night per week thereafter until completed. The instructor is Louis E. Day, superintendent of the inland marine department of Phoenix of Hartford.

An advisory committee will assist Mr. Day in planning the course. It consists of Frank B. Wrecks, assistant secretary of Aetna Fire; E. G. Proechel, inland marine department of Travelers; George A. Robinson, assistant secretary Hartford Fire, and H. B. Bezanon, inland marine manager of Automobile.

Mutual Companies' 1940 Figures

	Adm. Assets	Unearned Prems.	Net Surplus	Cash Income	Net Losses Paid	Total Cash Income	Total Djab.
Abington Mut., Mass.	639,436	292,420	325,149	279,302	105,204	299,594	275,612
Automobile R. L.	4,655,633	330,700	3,698,954	661,620	77,082	834,962	765,197
Chemical Mut., N. Y.	168,280	78,454	78,454	85,215	40,663	88,550	74,780
Druggists Mut., Ia.	325,349	109,481	201,958	170,438	66,810	185,611	185,307
Farmers Mut., Neb.	1,397,066	36,904	1,345,548	582,675	321,664	627,417	605,358
Fidelity Mut. F., Ind.	571,674	237,175	244,796	354,964	137,784	371,033	339,315
Holyoke Mut. Fire.	2,819,858	930,512	1,825,088	852,429	286,079	993,951	866,729
Lumbermen's Mut. O.	3,523,176	2,086,477	1,050,000	2,668,638	1,006,357	2,802,536	2,634,296
Mut. Fire, Hart'd Co.	969,093	509,120	427,226	633,447	225,728	664,091	510,510
Natl. Jewl. Mut. Fire.	308,047	56,003	245,549	79,136	11,521	94,698	73,994
Northwestern Mut. F.	9,802,898	6,436,805	2,454,536	7,542,941	2,379,162	7,790,210	6,995,108
Ohio Mutual	505,029	73,168	418,544	84,191	24,451	103,871	96,172
Otsego M. Fire, N. Y.	261,043	104,502	141,094	114,959	55,294	121,191	102,616
Penn. Millers Mut.	3,507,174	552,622	2,554,752	113,705	40,113	108,254	115,381
Security M. F., Minn.	176,070	49,408	126,662	123,923	46,667	128,322	127,766
Standard Rel., Neb.	154,950	39,404	94,495	111,560	22,118	119,363	106,990
Texas Hardw. Mut.	171,821	62,161	97,014	111,560	314,746	608,396	615,762
Transportation Mutual	3,896,497	234,170	3,529,324	477,327	151,717	438,280	416,967
Union Fire, Neb.	600,149	195,791	285,000	425,253	55,901	131,932	133,457
Western Mut. Fire, O.	179,125	100,122	66,434	123,615			
RECIPROCALLS							
Independent Underw..	136,396	28,541	105,916	59,236	25,688	65,086	58,569

¹Includes \$1,578 increase in liabilities.

Du Quoin LOX Loss Close to \$200,000 is Estimate

The explosion in the LOX plant of the United Electrical Company at Du Quoin, Ill., did an estimated property damage of \$100,000, and the U. & O. loss is estimated at \$60,000. Travelers carries the compensation, the property damage, \$1,750,000, was in 13 policies with the Hanover, New Hampshire, New York Underwriters, Providence Washington, Springfield, Union Assurance, American Central, National Fire, Commonwealth, Fireman's Fund, Great American, Home and Travelers. The U. & O. coverage is \$1,500,000 in seven policies in Fireman's Fund, Great American, National, New York Underwriters, Springfield and Travelers Fire.

The hazards in these plants, which are rather common among coal mining companies with strip mining operations, are not considered particularly great, and even in the face of this substantial loss are regarded fairly safe in comparison with other types of explosive manufacturing plants.

Process Explained

Briefly, the process is this: The plant, operated by the coal mining company, first manufactures liquid oxygen, which is stored in a compressor room in a storage tank. The liquid oxygen then is drawn from the compressor room into a "mix" room and there poured in a "soak box" which contains several carbon cartridges. They soak for about an hour and then the entire soak box is trucked to the scene of stripping operations where the explosive is used to blast the overburden.

Either liquid oxygen or the cartridges alone is not explosive, and a percussion cap and charged wire are affixed for shooting. It is considered a better explosive for strip mining than dynamite because it has a more sustained force. Cost is less than half. It has been considered much safer to use than dynamite, and there were no accidents until last year when the Neos Mining Company near Terre Haute, Ind., had two explosions in the field. One quantity blew up while on a truck. No one knows what happened since all of the men around it were killed. One other accident involving the explosive was caused when a drill bit was used to push the explosive downward after it had got caught. One of the men nearby survived to tell the story.

In the Du Quoin loss a batch of cartridges were placed in the soak box. At what time this occurred no one knows because all of those around were killed. The crew started to unload a box car of cartridges into the mix room, and

it is assumed some unusual chemical reaction was set up in the soak box to cause one of the cartridges to explode; or possibly some foreign substance got into the mix.

The compressor and equipment of United Electric at Du Quoin sustained a 75 to 80 percent loss. This equipment was all manufactured in Germany, which makes the problem of replacement in this country a real one. The compressors are in pretty good shape and can be renewed. U. & O. will be fairly low compared to coverage because other explosives can be used by the company in stripping, though they are more expensive. Damage was considerable to other surrounding buildings. For instance, one that was 400 feet away suffered damage to side walls and roofs; another 100 feet away suffered damage and some fire ensued. Five men were killed, three regular employees and two carpenters who were there to put up a canopy on the mix room door. There were no other injuries.

The mix room was separated from the compressing room by an 18 inch brick wall. The force of explosion sprayed the bricks through the equipment.

The LOX explosive is normally the safest to handle. In the present instance, there may have been some human failure.

Rating Setup in Cuba Under Malone Greatly Improved

NEW YORK—Officials of fire companies operating in Cuba speak most appreciatively of the excellent work performed by the Cuban Rating Association since R. G. Malone became secretary-manager 11 years ago. Prior to 1930 rates, especially on sugar plants, which together with tobacco constitute the main industry of Cuba, had become demoralized, due to hard competition.

Eleven years ago representatives of the Fire Office Committee of London, with representatives of American companies, determined to place the rating setup on a satisfactory basis. Mr. Malone, who enjoyed a high reputation for his work with the Louisiana rating organization, was appointed manager and given free rein to formulate and carry out a proper rating policy. He proceeded to do so and steadily extended the scope and refinements of the system. One of the largest fires on the island in the past 10 years involved a huge sugar mill, on which there was no insurance.

At present 26 British, 14 American, one French and 11 Cuban companies are operating on the island. Because of the solid character of building construction and the absence of heating appliances,

relatively little fire insurance is carried on dwellings. Coverage in the main is restricted to mercantile, office and residential structures in the chief cities and properties in the great sugar plantations, many of the latter being financed by Canadian and American banks.

The United States government recently loaned several million dollars to Cuba, and proposes to make other loans, conditioned in part on the money being used for diversified farming and extension of good roads.

New Michigan Company Ruling

LANSING, MICH.—Foreign companies whose corporate powers exceed those allowed under Michigan laws to similar domestic carriers may not be legally licensed by the insurance department, James F. Shepherd, assistant attorney general, has held in an opinion rendered Commissioner Berry.

A bill has been introduced in the legislature modifying the law to permit admission of companies with corporate powers conflicting with Michigan statutes through "proper action by the directors" to limit those powers as regards Michigan business and also requiring any such license applicant to declare under which statute it would operate.

THE REINSURANCE CORPORATION OF NEW YORK

FINANCIAL STATEMENT, DECEMBER 31, 1940

ASSETS

Cash on Hand and in Banks	\$ 864,006.53
Government Bonds	1,022,764.12
Corporation Bonds	303,344.79
Stocks	4,577,605.00
Premium Balances Receivable	\$246,748.53
Less: Ceded Reinsurance Balances Payable	165,430.92
Interest Accrued	3,820.23
Other Admitted Assets	4,312.50
Total Admitted Assets	<u>\$6,857,170.78</u>

LIABILITIES

Reserve for Unearned Premiums	\$ 687,769.30
Reserve for Losses and Loss Expenses	184,811.33
Reserve for Taxes and Expenses	45,651.24
Reserve for Non-admitted Reinsurance	63,696.43
CAPITAL	\$1,530,000.00
SURPLUS	4,345,242.48
Total Capital and Surplus	5,875,242.48
Total	<u>\$6,857,170.78</u>

Bonds are valued on an amortized basis and stocks at market prices, as approved by the National Association of Insurance Commissioners. Bonds carried at \$203,835.03 in the above statement are deposited as required by law.

UNDERWRITING MANAGER

THE EXCESS MANAGEMENT CORPORATION

116 JOHN STREET, NEW YORK, N. Y.

AVAILABLE

Field Man—with multiple line experience. Eighteen years in St. Louis and downstate Illinois. Over draft age. Address M-95, The National Underwriter, 175 W. Jackson Blvd., Chicago, Ill.

WANTED

By one of the leading Insurance Agencies of Southwestern Michigan a Solicitor for Fire, Marine and Casualty insurance. Give age and experience in first communication. Address M-97, The National Underwriter, 175 W. Jackson Blvd., Chicago, Ill.

TO A BUCKEYE

A New York State company is looking for a special agent for Ohio, a native of the state. Field experience not necessary. Knowledge of fire insurance business is necessary. Replies will be kept confidential. Address M-91, The National Underwriter, 175 W. Jackson Blvd., Chicago, Ill.

POSITION WANTED

Fourteen years operative and administrative accounting and office management experience in large mutual fire insurance company. Broad experience in systems, methods, procedures, personnel, purchasing, form design and investments. Age 42, married. Seeks change. Address M-94, The National Underwriter, 175 W. Jackson Blvd., Chicago, Ill.

EDITORIAL COMMENT

Vision in State Supervision

THE new Illinois state insurance director, Paul F. Jones, left a most excellent impression on the insurance attendants at the luncheon tendered him in Chicago under the auspices of the Illinois Insurance Federation. It was a typical insurance crowd that desired to see at first hand the new official and evaluate him.

One point he made strikes us as particularly significant and reflects credit on a commissioner so young in office. He unequivocally championed state insurance supervision but he added that mere blind sponsorship of that plan as opposed to federal control is not sufficient.

Why is there any need for federal

supervision? What are the arguments for it? Why doesn't state administration fill the bill? Director Jones stated that there are some weaknesses in the state system. They should be frankly acknowledged and not dodged or condoned. If state supervision is to survive it should justify itself.

Director Jones declared it would be his purpose to study intelligently the criticisms directed against state supervision and so far as Illinois is concerned endeavor to get its department so constructed that it would and could honestly defy these critics. A mighty fine policy we say and if followed by other states, federal supervision will be buried.

A Good Public Relations Job

PEOPLE who have followed the current legislative activity over compulsory insurance and financial responsibility laws in New York have been greatly impressed with the way the New York insurance interests have met the situation. Instead of emitting the conventional howl about government in business when the subject of compulsory insurance was introduced, the committees presented the facts to state authorities and to the public. Not only that, but they offered a concrete substitute in the proposed new financial responsibility law, which is based upon the New Hampshire act. The merits of this law were explained to representatives of many groups outside of the insurance business who would be affected by it and by a compulsory insurance law. It was thoroughly aired at committee meetings and every group had a chance to state its views.

A law of this type is necessarily complicated and difficult to read. In sending copies of the proposed law to the papers, the committee included a statement of its provisions which any editor and his readers could understand. Endorsements of responsible organizations outside of the insurance business were also included.

New York insurance men told their story to the public intelligently and logically and reports indicate that they found the public willing to listen and to meet them halfway. An admission of shortcomings of the present situation, coupled with a concrete proposal for remedying them always makes a better impression than a mere negative attempt to defend an unsatisfactory status quo. If the proposed law is passed, the methods used should be an example to everyone in the insurance business of what can be done.

Building Solid Claim Reputation

COMMISSIONER GONTNUM of Maryland one of our most forceful and competent state supervisors, recently criticized claim settlement tactics of a few companies operating in his state, they being institutions evidently with a conscienceless management. He spoke of their practice of ignoring small claims, although perfectly justified. These companies by a nefarious system of delay and indifference would ultimately wear out the claimants. Practices of this kind reflect on insurance as a whole.

There is no department more important in a company than that having to

do with claims. Some companies evidently think their sole function is to collect premiums and hold payment for losses to the lowest point. Their adjusters are instructed to save money. Fortunately such are but a small percentage.

The other day, C. S. Weech, New Amsterdam Casualty vice-president, outlined in connection with Pittsburgh Insurance Day ceremonies, an adjustment program that struck a high note. A company is known by the way it settles its claim obligations. It is highly important for adjusters to be in perfect accord with the claim policy of a com-

pany that desires to meet every honest loss. It is no credit to an adjuster to take advantage of a claimant's lack of knowledge of his rights or his mental ignorance.

Mr. Weech stated that where there was but limited or no liability, the adjuster should be such a student of human nature that he should make denial in a way that would convince the claimant that he was not trying to fleece him but was pursuing a course he believed to be correct. Mr. Weech holds that an adjuster can do much to ad-

vance a company's cause or impair its reputation. He referred to the need of "good workmanship" on part of an adjuster. In our opinion it is an appropriate term to designate an adjuster's procedure.

All well ordered companies take pride in their reputation. They want to meet their obligations. They insist on fair and honest treatment of claimants. The process of scaling claims just to save money is abhorrent to such offices.

Mr. Weech's observations ought well be read by all with profit to themselves.

PERSONAL SIDE OF THE BUSINESS

George W. Blossom, Jr., president of Fred S. James & Co. of Chicago, is visiting his father, George W. Blossom, Sr., at Pasadena, Cal.

Frank C. Carpenter of Carpenter & Burba, Louisville agents, has long been interested in aviation. Mr. Carpenter and his son Floyd were building model airplanes long before it became a general hobby. In 1912 they were granted a patent on a W-type airplane wing which they designed in connection with an idea for a self-righting plane. When the world war came on Floyd Carpenter, a mechanical engineer, went into the navy, and the patent, more or less forgotten, was allowed to expire. Some of the newer pursuit planes are today using a wing built very much on the Carpenter theory.

Otho E. Lane, president of Fire Association, Mrs. Lane, and their daughter, Martha, are spending February at El Rancho de los Robles, Oracle, Ariz., from where they expect to visit Los Angeles and San Francisco before returning east.

Roy T. Baker, prominent local and general agent of Fargo, N. D., is vacationing in Los Angeles where he is indulging in much golf. Mr. Baker has been in the business 41 years. He started in 1900 with his father, Thomas Baker, Jr., local agent of Fargo and in 1902 went into the Dakotas field for Queen. After 10 years he returned to the local agency business. The Baker agency is now celebrating its 60th year.

Peter L. Cannon, in charge of the Rhode Island insurance division 1937-1939, has been appointed adjutant general of Rhode Island.

John Rygel, secretary in the western department of Hanover, and Mrs. Rygel are leaving Friday by motor for San Francisco for a visit with their son, John Norris, who is stationed at Mare Island, attached to the Augusta, flagship of the Pacific fleet. Mr. Norris just recently went into active service. He previously had been special agent in Illinois for Royal Exchange. The Rygels expect to be gone about a month.

Harry F. Ogden, president, and S. G. Browning, assistant secretary, southern department, of the Fidelity & Guaranty Fire, have sailed for Puerto Rico and will return March 10.

H. W. Sanks of the Sanks Insurance Agency, Decatur, Ill., was married to Mary Weesner. Mr. Sanks has been associated with his father for the last six

years. The agency was established 20 years ago.

Lieut. Col. E. C. Monro, local agent of Tucson, Ariz., is second in command of the Arizona national guard unit at Fort Sill, Okla. During his absence the business of the E. C. Monro Agency is being continued under the name of Service Insurance Agency by his father-in-law, H. E. Heighton. Mr. Heighton is one of the oldest agents in point of active service in the state. He began business in 1904 when he took over the business of Underwood & Franklin who, in 1880, had assumed the insurance file of the Sexton Agency, which is believed to be the oldest in Arizona.

Serving under Lieut. Col. Monro at Fort Sill are Lieut. Albert Gibson, Tucson Realty & Trust Company, and F. J. Cunningham, special agent for Royal-Liverpool group, Phoenix.

Two executives of the **Crum & Forster** organization are now vacationing in Florida, they being J. Lester Parsons, president, and Fred M. Gund of Freeport, Ill., western manager. They expect to be away until early in April.

Earl Vogt, advertising manager of Millers National, will leave Chicago Friday for Miami Beach, Fla., for a vacation. Mrs. Vogt has been in Miami Beach for the past few weeks.

Edward Sayre of Newhouse & Sayre of New York and **L. H. Hawley**, Chicago manager, have returned from a vacation at Sun Valley, Ida.

A son, Cobbs Gwinn Nixon, has been born to Mr. and Mrs. **Scott Nixon** of Augusta, Ga. Mr. Nixon is president of the Augusta Board and a past president of the Georgia Association of Insurance Agents.

J. M. Clark of Chicago, executive special agent of New York Underwriters, and **Charles R. Watkins**, Indiana state agent, are leaving in a few days for Fort Lauderdale, Fla. Mr. Clark is leaving Chicago by motor Saturday and will pick up Mr. Watkins enroute.

DEATHS

J. P. Gray, 90, president Boston Manufacturers Mutual Fire from 1905 to 1929, when he retired, died at his home in West Newton, Mass.

A. L. Smith, 49, formerly assistant secretary of the Merchants & Manufacturers Mutual Fire of Concord, and



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more recently claim adjuster of Massachusetts Bonding in Boston, died there.

Mrs. W. E. Hitchcock of Oklahoma City, wife of the Oklahoma state agent of the Retailers Fire, died there after a protracted illness.

James A. Macdonald, 43, formerly assistant manager for Canada of the Great American, and more recently in charge of its business in Winnipeg, died in Toronto.

Joseph K. Sharp, 78, who was secretary of Camden Fire for 40 years prior to his retirement in 1928, died in St. Petersburg, Fla. Joining Camden Fire in 1887 as a clerk, Mr. Sharp was elected secretary in 1889 and in 1897 was made treasurer. In 1924 the title of vice-president was added. He was Camden Fire's only employe at the time he went with the company, when it had an income of \$10,182 annually. This grew to more than \$5,485,000 in 1928 when he was succeeded by Elwood S. Thompson, present secretary.

Howard E. Jennings, 53, with the National Board in St. Louis 12 years, died. Funeral services were held in Columbus, O. Mr. Jennings was a special investigator for the arson department, and formerly had been in the state fire marshal's office in Ohio. One of his investigations was the Buckingham Annex Hotel fire in St. Louis in 1927, which resulted in the arrest and conviction of the owner and two employes for arson and murder.

I. S. MacNichol, 69, local agent of Oshkosh, Wis., for 33 years, died there from a heart ailment after a short illness. He started in insurance in Oshkosh in 1908. With Alvin Fox he formed the Fox & MacNichol agency in 1910, taking over the pioneer L. D. Harmon agency established in 1868. The present MacNichol Agency was formed in 1939 with his sons, Neal and Irwin. He served as president of the Oshkosh Insurance Underwriters Association and the Winnebago County Association of Insurance Agents.

Elmer K. Schultz, who founded E. K. Schultz & Co. Philadelphia, in 1896, died there at the age of 73.

The agency was named general agent for Millers National in 1896 and in 1912 was appointed general agent for the Ohio Farmers. Starting from a small beginning, the agency has had a steady growth, and now operates in Pennsylvania, New York, Maryland, New Jersey, Massachusetts, Connecticut, Rhode Island, West Virginia, Virginia and the District of Columbia supervising the business of the two companies in those states. Growth of the business was due largely to Mr. Schultz's personality and efforts. He survived all of the original officers and agents of the company. In 1937, a special tribute was paid him by directors of Millers National on occasion of his 40th anniversary.

Mr. Schultz had been ill for some time and had not been active in the affairs of the agency for several years. T. W. Anderson, president, has been with the agency almost 30 years, joining it in 1912 as special agent. James Youmans is vice-president and secretary. The agency has had a number of agencies associated with it for well over a quarter of a century.

Anthony Clark, 76, founder of A. L. Clark & Sons agency Manitowoc, Wis., 25 years ago, died at his home there. His widow, a daughter, his sons, Edwin and John, are associated in the agency.

C. E. Harkness Becomes Partner

CINCINNATI—C. E. Harkness has become a partner in the agency of Harkness & Wirthwine with his father, A. S. Harkness. He has been associated with the agency since graduating from the University of Cincinnati engineering school in 1926.

New Ill. Director Wins Epaulettes at Rally

(CONTINUED FROM PAGE 5)

office, he hopes that his successor can say just that of him.

John P. Keevers, resident vice-president of Maryland Casualty and president of the Insurance Federation, presided. He introduced John L. Clarkson of Bartholomay-Clarkson Company, Chicago, who presented the other members of the reception committee, they being Gail Reed, Fred S. James & Co.; Mrs. Lillian L. Herring, secretary of the federation, and W. J. Floreen of Rollins, Burdick, Hunter Company. He then presented Ernest Palmer, who was given an ovation. Mr. Palmer remarked pleasantly that he trusted the plaudits were for an old timer rather than being commiseration for a has been.

There were two head tables, filled with about 100 insurance leaders from Chicago and downstate. Before the luncheon the head table group attended a reception for Mr. Jones.

Mr. Jones later said that "perhaps" he will name an advisory committee of insurance men. He is considering the idea, but has not talked to the governor about it. The question right now, he discloses, is whether the committee, if named, should be chosen by him or by the profession. And if it is chosen, how it shall be composed so as to be satisfactorily representative.

Hugo J. Kralovec, general agent for the fire companies in the London & Lancashire group in Chicago, will become general agent also for St. Louis Fire & Marine, which in the past has maintained its own Chicago service office. John M. Rosko, Jr., who has been manager of the service office, will go over with the Kralovec agency as special representative in Cook county March 1 when the St. Louis F. & M. closes its Chicago office.

Textbook on Boiler Cover Is Published in East

NEW YORK—A textbook of 77 pages has been published, containing the lectures delivered before the Insurance Society of New York by J. H. Coburn, vice-president Travelers Indemnity, and D. F. Reese, vice-president Hartford Steam Boiler, a complete set of boiler and machinery policies, schedules and endorsements copyrighted by J. P. H. deWindt, and a number of photographs illustrating various types and objects which may be covered under boiler and machinery policies.

History of Line Given

The history of boiler and machinery insurance is given with underlying hazards of the line. Manual rules and rates, method of rate-making, underwriting requirements, risk inspection, engineering and claim services, are among the subjects covered. Copies may be secured from Mr. deWindt, manager boiler and machinery division National Bureau of Casualty & Surety Underwriters, 60 John street, this city, at \$1 per copy.

While there has been an increasing demand for boiler and machinery indemnity in recent years, the call has been intensified of late through the stress put upon manufacturing operations in connection with the nation's defense program, and the realization that the machinery used in all plants engaged in such work must be safeguarded from shut-downs due to accidental damage.

Opens New Office at Hibbing

Underwriters Adjusting has opened a new office in the Merchants & Miners Bank building, Hibbing, Minn. John H. Glad will be in charge as resident adjuster and the office will be under supervision of the Duluth branch.

Joseph Pick has joined the marine writing office of Hagedorn & Co. in New York City as adjuster of average and as cargo surveyor.

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The NATIONAL UNDERWRITER

February 27, 1941

CASUALTY AND SURETY SECTION

Page Twenty-three

Auto Death Toll in 1940 Nearly 100 Each Day

Travelers' Summary of Accident Statistics Shows 35,000 Killed, 1,300,000 Hurt

HARTFORD—No single catastrophe in the United States last year approached the daily average of almost 100 lives lost in automobile accidents, according to "Here Today—," the Travelers' annual report of accident facts which shows that 35,000 persons were killed and more than 1,300,000 others were injured in 1940. Of those killed 35.7 percent were in accidents involving collisions with pedestrians, 29.7 with other automobiles, while for those injured the percentages were 22 and 56 percent respectively.

Automobile accidents on an average day last year took twice the number of lives lost in the Kenil, N. J., powder blast, three times the toll of the Georgia-South Carolina hurricane, and four times that of the Little Falls train wreck or the Lovetsville airplane crash. The number injured in traffic on an average day exceeded the total casualties of the six major disasters of 1940 combined.

Highlights Given

Highlights from the annual report, based on official reports from the 48 states, are:

Exceeding the speed limit was responsible for 40 percent of the fatalities and 26 percent of the injuries in 1940. On wrong side of the road caused 17.3 of the fatalities, 14.5 of injuries. Not having the right of the way accounted for 12.5 of the deaths, and 14.5 percent of the injuries. Reckless driving was responsible for 14.9 percent of the fatalities, 11.8 percent of the injuries.

Every third victim of a fatal traffic accident last year was a pedestrian.

More than 97 percent of all drivers involved in accidents had a year or more of operating experience.

Almost 86 percent of all fatal accidents occurred in clear weather and almost 78 percent happened when the road surface was dry.

A composite picture of 1940's typical accident driver would show that he was an experienced, middle-aged male and that he was driving a passenger car in good mechanical condition in clear weather during the early evening hours of a Saturday or a Sunday.

Feature One Day's Results

Several pages are devoted to a vivid description of the traffic "disaster" which swept the nation on Oct. 4 when 85 persons were killed and 1,496 were critically injured. It is then pointed out that Oct. 4 was not unusual but a completely average day in every respect. Almost 1,350 daily newspapers were used in

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Questions from Floor at End of Liability Forum

The concluding installment of the discussion sponsored by THE NATIONAL UNDERWRITER on the new comprehensive liability policies appears below. Those participating, as readers of the previous installments will recall, were G. E. Hofmeister, vice-president Continental Casualty; E. L. Kemble, Zurich; W. J. Bremer, Hartford Accident; W. M. McSweeney, assistant casualty manager Travelers; Louis Ollmert, automobile superintendent Aetna Casualty; Donald Wood, Chicago agent, and Owen Rall of the law firm of Eckert & Peterson. J. C. O'Connor, editor "Fire, Casualty & Surety Bulletins" acted as chairman and H. J. Burridge, vice-president, THE NATIONAL UNDERWRITER, opened the meeting.

Reprints Available

Reprints of the entire discussion may be obtained from THE NATIONAL UNDERWRITER. They will be ready in a few days.

Previous installments carried the discussion on the comprehensive automobile liability policy and on the insuring clause of the comprehensive general liability form. The final one begins with the exclusions of the latter contract.

Explains Exclusions

CHAIRMAN O'CONNOR: How about the exclusions? Mr. Kemble, will you comment on them?

MR. KEMBLE: In view of the broadness of the insuring clause, the exclusions of this policy are quite important. We probably will never reach the millennium when we will have no exclusions in a policy, but this policy comes pretty close to that situation. The exclusions are purely watercraft while away from premises owned by the insured, automobiles while away from such premises or the ways immediately adjoining, and aircraft under any conditions. The exclusion in regard to watercraft and automobiles has this exception: it doesn't apply with respect to operations performed by independent contractors. That is an important exception, because, as I see it, that wording is broad enough to include the hauling of goods or products of the insured, which would normally be an automobile exposure. It seems to me, therefore, there is a certain amount of overlapping between this policy and the automobile policy, which the underwriters might want to straighten out.

Contractual Exclusion

The next exclusion deals with liability assumed by the insured, except such assumed liability as is covered by the policy. Now, the assumed liability covered by the policy is that from warranties of goods or products, leases of premises, agreements, municipal ordinances, sidetrack agreements and elevator and escalator maintenance contracts. In other words, all the normal type of assumed liability agreements.

The third exclusion is the usual one dealing with compensation or employers' liability. Here, again, there is an exception, namely, that it doesn't apply to injuries sustained by employees if the

insured has assumed that liability under a contract.

The fourth exclusion applies to the property damage liability coverage and is the usual exclusion relating to property owned, rented or controlled by the named insured.

While the exclusions in the policy are very short, at least there are a small number of them, it seems to me important, both from the viewpoint of the company and the producer, as well as the insured, that careful consideration be given to other exclusions that may be necessary and permissible. In other words, with only the basic exclusions, the policy covers almost everything and the insured must realize that he will have to pay a premium for this if the auditor is clever enough to catch it.

PRODUCT LIABILITY

CHAIRMAN O'CONNOR: How about product liability, Mr. McSweeney? Does the insured have full coverage?

MR. MCSWEENEY: Yes, he does, and while the rules allow you to exclude product liability, it should seldom be excluded, because you would be breaking down the desire on the part of you, as a salesman, to write a comprehensive all embracing contract. Products liability divides itself into two parts. As we know, the first is products, itself; and then we have the new feature of products coverage on completed operations.

Now, take a foundry that makes nothing but billets that they turn over to be machined, there is very little product exposure there and you may want to exclude it but, at the same time, your product rate is low for a risk of that kind and for the additional premium it is well worth while.

Completed Operations

Products liability should always be included in connection with risks involving installation and delivery, that is, installation of mechanical appliances and delivery of goods, because the line of demarcation between the public risk and the products, insofar as installation and delivery are concerned, is very, very slight, and many arguments arise between the insured and the company on this one particular feature. Take, for instance, the installation of a machine. Many machines are installed and put in operation but are not finally accepted by the buyer except after extensive tests. Ordinarily, under the contractors public liability coverage, this supervision after the machine is completed is not covered except where an additional premium is called for under the installation and delivery hazard. Well, the insured might well say that the work was still going on. The company can justifiably say that the work wasn't going on, and there you are, running around and around in a barrel for little or no reason, because of a situation that shouldn't arise.

Now, insofar as completed operations are concerned, this portion of it is new,

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Stock Companies Move to Break Grip of Mutuals

File Compensation Rate Deviations in Closed States on Defense Work

Indication that the stock companies have decided upon a course of action aimed at breaking the virtual monopoly enjoyed by the mutual companies on compensation business for firms getting defense contracts on a negotiated or cost plus a fixed fee basis, is found in rate filings that were made by the National Bureau of Casualty & Surety Underwriters in Virginia and in Alabama. Although there has been no official confirmation, it appears certain that the program in those two states represents a decision on national procedure and that similar filings will be made in other closed states.

In Virginia, the state corporation commission has approved a deviation of 20 percent from manual rates applicable to government defense construction contracts on a cost plus a fixed fee basis. Under the commission's order, the credit of 20 percent is to be produced from agency acquisition costs and company management allowance. The pure premium level is to remain the same.

After the National filing was made, the corporation commission wired other companies giving them an opportunity to do likewise. The non-bureau stock companies whose requests for 20 percent deviation have been approved are Bituminous Casualty, Continental Casualty, National Casualty and St. Paul-Mercury Indemnity.

Mutuals File 10% Off

A number of the mutual companies applied for a 10 percent rate deviation and their applications were approved. Those companies are American Mutual Liability, Employers Mutual Liability of Wausau, Wis., Liberty Mutual and Lumbermen's Mutual Casualty.

The commission stipulated that no policy written to become effective prior to Feb. 20 shall be canceled or rewritten at the request of the assured to take advantage or to avoid the application of the rates approved, except at short rates. The deviation is applicable not only to existing rates, but to rates that go into effect April 1. On that date a rate revision that produced an overall reduction of 3.9 percent becomes effective.

It is understood the National Bureau made a similar deviation filing for automobile, but that the commission has not yet given its decision on that matter.

The stock companies have been up against a so far hopeless competitive situation in connection with risks doing defense work on a cost plus basis. The government is scrutinizing every ele-

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Chicago Forum on Comprehensive Form March 11

A "five-star" program on the new comprehensive liability policy is offered producers in Chicago March 11 by the Chicago Education Committee which handles the Insurance Institute courses there, and a number of sponsoring insurance organizations. The subject is "Inside and Outside of Comprehensive Liability Insurance."

The chief speakers will be E. W. Sawyer, attorney National Bureau of Casualty & Surety Underwriters, New York, who will discuss the technical side of the new coverage, and J. H. Egloff, supervisor of agency field service Travelers, Hartford, who will treat of the sales features.

Assisting will be J. C. O'Connor, editor "Fire, Casualty & Surety Bulletins;" George E. Hofmeister, vice-president Continental Casualty, and Walter Bremer, assistant superintendent compensation and liability department, Hartford Accident, all of Chicago, who will develop various angles of the subject.

Sponsoring Organizations

The meeting, for which there will be no admission fee, is to open at 2 p. m., in the grand ball room of the Midland Hotel. Admission will be by ticket, the tickets being distributed by the sponsoring organizations. These include Casualty Managers Association of Chicago, Illinois Association of Insurance Agents, Insurance Brokers Association of Illinois, Casualty Underwriters Association, Association of Fire Insurance Examiners, Casualty Engineers Association and Chicago Insurance Agents Association. There are accommodations for about 900 and the committee in charge will endeavor to accommodate all who present tickets.

The committee, headed by A. T. Graham, chairman Chicago Education Committee, includes Benjamin Richards, manager Underwriters Service, secretary; R. E. Baker, Hartford Accident; Edwin Connelly, committee treasurer; W. F. Kuffel, Phoenix of Hartford group, and H. N. Douglass, resident manager New Amsterdam Casualty.

W. M. Chittenden in New Post

W. Merrell Chittenden has been appointed field supervisor in the accident and health division of the W. B. Griffin Agency, Lexington, Ky., which represents the Commercial Casualty.

Mr. Chittenden is well-known in the accident and health field, having started at St. Louis in 1912 with the Massachusetts Bonding. Later he was executive special agent of the Federal Surety, with the Illinois Bankers Life and more recently field supervisor of the accident and health department of the Hoosier Casualty in Illinois.

Bolton on Comprehensive Claims

LOS ANGELES—John E. Bolton, attorney, addressed the Casualty & Surety Fieldmen's Association at a meeting here, discussing claims in connection with comprehensive liability insurance. Formation of a speakers club was discussed. Association speakers took an active part in the regional meetings held by the California Association of Insurance Agents.

Sightseeing Pilots Must Insure

ST. LOUIS—Pilots of airplanes licensed to take up passengers on pleasure or sight seeing flights at Lambert-St. Louis Municipal Airport, Robertson, St. Louis county, have been ordered to take out \$5,000/\$10,000 public liability, a \$1,000 property damage and a \$5,000 policy for each passenger-seat in the plane.

The large commercial airlines using the field carry insurance for the protection of their passengers and property.

Fidelity Chief

Richard T. Wood who was recently made manager of the fidelity department of American Surety and New York Casualty, is one of the best posted men in the business on surety requirements of banks. He is a close student and his knowledge is always precise and thorough. He graduated from Yale in 1917 and after serving in the army two years, was vice-consul at Manchester, England. He went with American Surety in 1924 and in 1935 became manager of the bank division of the fidelity department.



Richard T. Wood

Fail to Solve Fictitious Fleet Problem on Coast

SAN FRANCISCO—An effort to bring about a solution to the troublesome fictitious fleet problem, without resorting to legislation, apparently failed at a conference here when representatives of all types of automobile writing companies met with Commissioner Caminetti.

There was wide difference of opinion, with most of the company representatives definitely opposed to taking the problem to the legislature. Others insisted that only by adding a section to the insurance code, defining fictitious fleets in an anti-discrimination provision, would the matter be solved. Most of the companies insisted that they did not write business on this basis—although the problem has been a "hot potato" for several years. At the 1939 session of the California legislature a bill was sponsored by the Insurance Brokers Exchange. Strong company pressure brought about its defeat with a "promise" among companies—a gentlemen's agreement—that no such policies would be written. However, the practice has persisted.

Commissioner Caminetti lightly criticized the group for not being able to bring about a solution. He discouraged a suggestion that another company bureau be set up to regulate the business and informed those present that if they went to the legislature with a satisfactory anti-discrimination measure containing an adequate definition of fictitious fleets, he would guarantee to cure the condition within a short time thereafter.

At the end of the conference it appeared that the matter is as far from an amicable settlement as ever, with stronger indications, however, that producers will exert a little more pressure on the offending companies.

Big Casualty Convention Oct. 6-9

The annual joint convention of the International Association of Casualty & Surety Underwriters and the National Association of Casualty & Surety Agents will be held Oct. 6-9 at White Sulphur Springs.

Standard Accident Agents Honored

Standard Accident has presented bronze service plaques to the following agencies: Maxwell B. Chick Co., Titusville, Pa., 45 years representation; E. T. Goodrich, Detroit, 40 years; W. L. Cable, Warren, Pa., 35 years; W. C. Vought, Berwick, Pa., 30 years.

Buffalo Club Stag Party

BUFFALO—The annual stag party of the Buffalo Casualty & Surety Club was held in Williamsville with several city officials and army officers as guests. J. Ellsworth Buck, president, presided.

McGovern Stock of Aetna and Travelers Liquidated

HARTFORD—The first group of Travelers shares from the estate of the late Patrick J. McGovern, largest holder of Travelers and a large owner of Aetna Life stock, was moved in an over-the-counter sale here last week by Putnam & Co. The 3,000 shares sold at \$400 a share for a total of \$1,200,000. Whether the shares went out in a single block or in a few large blocks was not disclosed, but the issue was placed before noon of the day on which they went on the market. It was the largest transaction of its kind in Hartford in many years.

The stock, in the process of liquidation to meet taxes and other expenses of the estate by its executor, has sold between \$385 and \$468 during the past year or two. On Feb. 20, the day the 3,000 group moved here, the stock was quoted in the over-the-counter market at \$393 bid and \$403 asked. Prompt movement of the 3,000 shares was all the more remarkable because of the weakness of the New York stock market.

On Tuesday of this week 40,000 shares of Aetna Life stock were liquidated at \$26.50 per share. The transaction was handled by Putnam & Co., as agent for Hartford National Bank & Trust Co. Price range of Aetna Life's stock in 1940 was \$23 to \$32.75 a share.

Effect of the McGovern sales on Aetna and Travelers stocks has been negligible.

Report has Travelers price pegged at \$400, and stock will be available at that price, but at no lesser figure, during the year following Mr. McGovern's death. For the smaller investor the \$400 price is something of a mental hazard. Many of them would rather buy five or ten shares of something at a smaller unit price, even though the return is no greater.

The McGovern will has been filed. It provides that a sufficient number of Travelers shares to produce a \$1,000,000 fund be set aside to provide for Mrs. McGovern. One of the heirs is Hugh McGovern, a nephew, who is with Aetna Casualty.

Emme Named President of Southern California Group

LOS ANGELES—New officers of the Casualty Insurance Association of Southern California were elected at the annual meeting. They are: President, P. J. Emme, district manager Fidelity & Casualty; vice-president, J. S. Hurry, manager Glens Falls group; secretary-treasurer, Clayton Tisdale, branch manager Hinchman, Rolph & Landis, general agents London Guarantee.

Hugo Methmann, casualty manager Fireman's Fund group; Leland E. Mann, manager Aetna Casualty, and J. E. Joseph, manager California-Commercial Union group, were named as a committee to study a proposal to hold an annual dinner, the first to be in the spring.

Minn. Commissioner Renamed

ST. PAUL—James D. Williams, who has been a member of the Minnesota industrial commission since it was established 20 years ago, has been reappointed by Governor Stassen. The term of N. H. Debel, another member, expires July 1.

Ill. Blue Goose Meets Mar. 17

At a luncheon meeting of the Illinois Blue Goose at the Brevoort Hotel, Chicago, March 17, there will be a showing of the picture "Wheels Over India." This is an unusual film and its showing was arranged by Donald Campbell, credit manager of America Fore.

In the Feb. 20 edition increase in assets of Citizens Mutual Automobile was listed at \$12,092, when it should have been \$122,092.

Judge Scores Claim Group Disbanded Five Years

Although out of existence for several years, the Liability Protective Association, Inc., organized early in the depression at Kansas City, was termed "a propaganda factory" by Circuit Judge Waltner at Kansas City last week when he granted changes of venue in eight damage suits against Massman Construction Company, alleging that negligent construction of dikes permitted the Missouri river to flood and damage their land in 1932.

Judge Waltner charged the protective association's "avowed purpose was to effect a reduction in premiums on liability insurance by reducing both the amount and number of judgments for plaintiff in damage suits." He indicated that the Massman company was a member of the protective organization. He charged the protective group with past and present propaganda that many damage suits are fake, that members privately pay employee jurors more than they would receive in legitimate service, and that the association maintains statistical records of the performance of employee jurors, with the result of "coercing verdicts."

The protective association was disbanded five years ago, according to Cliff C. Jones of R. B. Jones & Sons, Kansas City, who was placed upon the stand in the same cases last November and closely questioned on the association's activities. Mr. Jones explained that liability rates in Kansas City had increased far beyond those in cities of comparable size and that insurance men at the time it was organized regarded the fake claims racket as one of the factors in this increase. The association was formed to combat fake claims. Insurance men had become alarmed because some of the companies were withdrawing from the city, according to Jones, who headed the association.

The association was set up after agents, business men, and others interested in it had discussed its objective with circuit judges.

Oregon House Passes Auto Responsibility Measure

SALEM, ORE.—The house has approved by a vote of 51 to 8 vote, the measure to compel motorists to prove financial responsibility after one accident.

The bill was sponsored by the house insurance committee and was substituted for two earlier proposals, which would have gone much farther toward compulsory automobile liability insurance. The measure now goes to the senate.

The secretary of state, under terms of the liability bill, would be required to suspend the operators' license, plates and registration certificates of all drivers and owners of cars involved in accidents unless proof of financial responsibility is offered.

H. B. 98 has passed the house. It provides for accumulation of a fund for payment of hospital bills of indigents injured in automobile accidents, by assessing an extra 25 cents per year on individual's drivers' licenses. A similar measure was rejected by the senate last session, but stronger support and more momentum are gathered behind the present bill and it may be passed.

A bill authorizing hospitals, nurses and physicians to file a lien against an insurance company and a person injured in an automobile accident, before the insurance claim is settled has been filed in the senate.

S. B. 269, modeled after the Wisconsin and Minnesota workmen's compensation acts, creates a workmen's compensation rating bureau. S. B. 268 a companion measure, provides that a casual worker shall be covered on a pro rata premium basis by both the industrial accident commission and the private insurer. It makes the present act compulsory for hazardous occupations.

State Farm Rally Is Largest Ever

The annual convention in Chicago of the State Farm companies of Bloomington, Ill.—State Farm Mutual Automobile, State Farm Life and State Farm Fire—borders on being stupendous. It has a pattern of its own, which is entirely unlike any gathering in the fire and casualty ranks but comes rather close to the enthusiastic, mass rallies of some of the industrial life companies. The convention crowd at the Stevens Hotel in Chicago this week numbered about 2,500, 500 more than last year.

Most of the producers are rugged, homespun men from farm, factory and pulpit. They are men who speak the language of the founder and genius of the organization, Chairman G. J. Mecherle.

These are not sophisticated people. At the banquet they cheer and get an obvious thrill from the lighted ice cream parade. They are ecstatically appreciative of the variety acts that were staged after the banquet. The banquet hour is 7 p. m. and the entire crowd is already nibbling at the rolls at 7:05. It is poor business for the cocktail lounges. Chairman Mecherle is against it and it is not a drinking crowd, anyway.

Trimmings, Showmanship

There is an abundance of trimmings and showmanship that keeps the crowd stirred at all times. Lapels are decorated with a variety of insignia, the most prominent being a huge circular button proclaiming "1941 Millionaire." The company has the goal of getting 1,000,000 automobile policyholders on the books by 1944, and those who up to this time have met the quota get the big button. Then there are various insignia for the different states, the Continental tri-cornered hat with pigtail for Virginians, the fez with sunflower for Kansans, and so on.

The meeting room is lined with flags of each of the states. There is the "top hat" parade. The company had its own band, and there were noise makers that included pistols, fired whenever convention proceedings seemed to call for an exclamation point. A large bank of tiered seats on one side of the ballroom accommodated several hundred agents to whom special recognition was accorded.

There was even a choral group, the "Chief's Men," of 18 voices led by Harold Dale Saurer, agency secretary.

Among company officials participating in the opening session were A. W. Tompkins, agency vice-president; M. G. Fuller, vice-president, State Farm Life; Reed Hanback, life; Charles Geib, supervisor fire; G. F. Alcott, conservation department automobile; H. L. Mecherle, superintendent of commissions; Robert S. Wilson, registrar life; G. B. Brown, comptroller; R. C. Mead, actuary; F. B. Coleman, vice-president in charge of claims; K. H. Noll, vice-president automobile.

Minnesota Leads Parade

Frank Brown, Minnesota state director, led the "Parade of States," with Wyoming, Virginia, Kansas and West Virginia following in that order. Placement was by production in 1940, but announcement was withheld till the convention.

State Farm Mutual Automobile has forged its way with original methods and has achieved spectacular success. Even in its office mechanics, the management has used many novel schemes. There has been no insurance institution in the vicinity whose methods could be copied and so it has devised its own scheme. For instance, the girls who handle inter-office communications and pick up mail from the various desks are equipped with skates and a round that formerly required 18 minutes now takes only six. Sewing machines are used to bind files. Even the sewing machine people said at first it couldn't be done, but the management insisted and a

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LEGISLATION

Mutual Group for Compulsory Bill

ST. PAUL.—The only insurance group to endorse the compulsory automobile liability insurance bills now before the Minnesota legislature was a meeting of Minnesota agents of the Farmers Mutual Auto of Madison, Wis. Company officials who spoke were H. L. Wittwer, secretary-manager; I. J. Maurer, supervisor of agents; P. K. Bruce, public relations director, and W. W. Simon, actuary.

Minnesota—Compensation companies are watching progress of SF 478 and HF 641, bills that would eliminate the present occupational disease schedule and throw the law wide open.

The survival of action bills, SF 463 and House 456, now before the judiciary committees where arguments have already been made, are of major interest. The hospital service association bill which has passed the house has been favorably reported for passage in the senate.

Another compulsory automobile liability bill, SF 587, different in important particulars from HF 490, is now before the senate judiciary committee. It authorizes district courts to hear and determine disputes over rates and issuance of insurance.

Developments are expected within a few days on a bill aimed at an agents' qualification law.

Iowa—A compulsory automobile liability bill has been introduced in the senate.

Montana—A bill to repeal the financial responsibility act and substitute compulsory automobile insurance has been recommended for passage and is being considered by the entire house under general orders.

A bill to abolish the common law defense of contributory negligence and to substitute the rule of comparative negligence has been killed by the house. A measure to relieve motorists of liability to guests has been killed. A measure to require filing of automobile liability rates has been killed. Also killed was a measure to create a state auto accident compensation fund by assessing each operator of an automobile \$5 when applying for license.

Another bill is still in the hopper to create a motor liability commission requiring every operator to have private insurance or to pay to the state \$5 for insurance against P. L. and P. D.

Washington—A survivorship of action measure (S. B. 122) has passed the Washington senate. The proposed legislation would provide for the survivorship of damage suits, arising out of a tort, against the estate of a deceased defendant.

Wisconsin—A bill has been introduced requiring automobile liability mutuals to have at least 400 applications representing \$50,000 in premiums and surplus of at least \$50,000 in order to be licensed. In the event the surplus drops below the minimum the company is given 15 days to make up the deficiency. The bill is aimed at correcting the situation caused by the failure of the Wisconsin Mutual.

Illinois—A bill to give the state industrial commission rate regulatory authority over workmen's compensation has been introduced by Senator Thompson.

Massachusetts—A bill which would assess the cost of appearing before the compulsory automobile liability insurance board of appeal on insurance companies when the complaining car owner is upheld was advocated by Representative Margolis before the legislative committee on insurance. J. W. Downs, counsel Insurance Federation of Massa-

Extensive Educational Project in New York State

Arrangements for a series of educational meetings in the Long Island-Hudson River area and in the southern tier counties under the auspices of the New York State Association of Local Agents are announced.

Members of the faculty are: Casualty insurance: T. Y. Beams, Eagle Indemnity; H. R. Muse, Fidelity & Casualty; Roger P. Smith, Hartford A. & I.

Inland marine: A. J. Huneke, Eagle Star; A. W. Barthelme, North British; Mr. Cardona, North British; Vincent Sweeney, Home; Ken Bidwell, London Assurance.

Fidelity: M. F. Jonas, American Surety; H. H. Wilson, Eagle Indemnity.

Surety: Luther E. Mackall, National Surety; Donald D. Patrick, U. S. F. & G.; Mr. Holmes, U. S. F. & G.

Schedule of Meetings

The Long Island-Hudson River schedule is: Patchogue, March 10, and each successive Monday for six weeks; Forest Hills, March 11, and each successive Tuesday for six weeks; Poughkeepsie, March 13, etc.; Kingston, March 14.

The southern tier schedule is: Middletown, March 17, and each successive Monday for six weeks; Binghamton, March 18, etc.; Elmira, March 19; Olean, March 20; Jamestown, March 21.

The meetings will be from 7:30 p. m. to 9:00. The lecture will take 45 to 50 minutes with 5 to 10 minutes for examination quiz, leaving 30 minutes for questions and discussion.

The registration fee will be \$1 for each member-agent and their associates and employees for the entire series of six meetings and \$2 for fieldmen and non-member agents.

The meetings are in general charge of Roy A. Duffus of Rochester.

Ely Actuary Ill. Agricultural Group

Ray E. Ely, manager of the actuarial department of Central Life of Iowa, has been named actuary of Country Life and consulting actuary for Illinois Agricultural Mutual and Farmers Mutual Reinsurance, Chicago, which are associated companies of the Illinois Agricultural Association. He has been with Central Life 7½ years. He succeeds Howard C. Reeder, who becomes vice-president and actuary of Continental Assurance.

Comprehensive Forum in K. C.

KANSAS CITY.—The monthly meeting of the Casualty & Surety Underwriters Association will be held Feb. 28. Claude Tabor, Maryland Casualty, and J. M. Downey, Aetna Casualty, will conduct an open forum on the new comprehensive liability policies.

chusetts, declared the bill was a one way proposition but if it were amended to apply both ways he would not oppose it. Commissioner Harrington, while taking no position on the measure, stated he would want to have it made clear if the costs levied on insurance companies were going into the rates.

The legislative insurance committee listened to witnesses favoring a bill which would establish an index bureau for recording automobile insurance suits. It was argued such a bill would tend to reduce the number, cost and awards in damage suits. The opposition brought out that such a plan would cost at least \$60,000 annually, in view of the 75,000 suits brought annually, and also that it would be an oasis for ambulance chasers and unscrupulous lawyers and doctors.

Utah—An automobile financial responsibility bill was defeated by a single vote in the senate.

T. W. Garrett to Liquidate Mid-America Casualty

Liquidation of Mid-America Casualty of Cedar Rapids, Ia., has been ordered by the board of directors with Garrett, Inc., Kansas City, holder of majority stock, agreeing to pay liquidating dividends of \$9 per share. Estimated minority stockholders represents about one-fourth of total 20,000 shares.

The entire business of the Mid-America will be reinsured in another company, the fire business possibly with Aetna Fire.

In letters addressed to the minority stockholders T. W. Garrett, Jr., president of Mid-America offered the liquidating dividend amounting to \$9 saying Garrett, Inc., was to purchase remaining assets, after payment of cost of reinsurance, for sum of \$180,000.

The letter stated the liquidating dividend of \$9 a share was believed to be in excess of the actual value of assets based on Iowa examination made last August.

The board of directors designated Carl J. Stephens, Des Moines attorney, as liquidating agent.

Mid-America was organized in 1939 by a group of Iowa investors with Garrett securing controlling interest last year.

Garrett interests formed the Kansas City Casualty Company, of which Mr. Garrett is president, to write automobile business generally. Plans were for this company to take over Mid-America.

Directors Liability Live Topic, Proposals Show

That interest in the liability of directors is still mounting was indicated this week when Columbian National Life and Marine Midland Corporation included in their notices of stockholders' meetings proposed by-law changes to indemnify directors against claims and liability arising out of their official acts or omissions. The proposed amendments were almost identically worded and provide that the corporation shall reimburse each director for any expense in suits against him or shall undertake the defense, except in case of misconduct of the director.

The current number "Business Week" contains a lengthy report on this subject, indicating that many companies are finding it difficult to get desirable directors because of a general fear of liability. It says that there is a general movement toward increasing the compensation of directors and that some corporations are leaning toward professional directors, who will give their time almost entirely to two or three companies.

Discussed by A. M. A.

The liability of directors and liability insurance for them was one of the headline subjects at the meeting of the American Management Association insurance division in Chicago in December. R. T. Wood, New York, manager fidelity department American Surety, was one of the featured speakers on this topic.

While only a limited amount of directors liability insurance has been written, many companies have been studying the field and its possibilities. If a market develops, corporations which have agreed to indemnify their directors could presumably insure against this hazard. Another proposal discussed at the Chicago meeting is for insurance to be sold directly to the directors, either individually or in a policy covering all directors of a particular corporation.

Junior Chamber Boosts Safety

The United States Junior Chamber of Commerce has gotten out a striking calendar with a cartoon for each month which is actually a highway safety poster. It includes some vivid work and the captions are arresting.

Massachusetts Governor Addresses Federation Rally

BOSTON—Governor Saltonstall addressed the annual banquet of the Insurance Federation of Massachusetts, urging cooperation on problems of the day, by supporting the federal government in its national policies; carrying out the ordinary duties of citizens in the state service, and participating in the organization to sustain the normal industrial life after the present emergency. About 600 persons attended.

H. A. Bidwell, Northampton general agent, formerly special agent Globe Indemnity, presided at the luncheon, as the new federation president. W. R. Hedge, president Boston and Old Colony, and E. C. Stone, United States attorney and general manager Employers Liability, were guests.

J. W. Downs, federation counsel, discussed important legislative bills affecting insurance.

At a business meeting, Mrs. Mary A. Blackburn was elected secretary-treasurer for the 11th time and vice-presidents and directors were named. The new vice-presidents are:

H. W. Bates, Worcester; A. T. Buffington, Fall River; R. H. Bullock, Worcester; F. C. Church, Jr., Boston; E. J. Cole, Fall River; J. J. Cornish, Boston; H. A. Field, Springfield; H. A. Gallup, North Adams; T. R. P. Gibb, Jesse Harding, Gerald Henderson and R. A. Hogsett, Boston; J. H. Leighton, Lowell; H. E. Moore and L. W. Moore, Boston; H. G. Noble, Westfield; J. G. Page, Haverhill; J. P. Parker, Boston; H. R. Preston, Springfield; H. A. Sawyer, Boston; W. S. Shaw, Brockton; R. A. Sullivan, Boston; G. L. Taylor, Great Barrington; G. A. Underwood, Gardner.

Make Issue of Suit by Unemancipated Minor

The American Mutual Alliance has served notice that it will seek permission of the New York court of appeals to file a brief in the case of Cannon vs. Cannon in which a 16 year old boy of Utica, N. Y., brought suit for \$10,000 against his father and his dead mother's estate to recover for injuries in an accident in which his mother was killed.

The American Mutual Alliance contends that if the case were decided in favor of the Cannon boy the casualty companies would be faced with the reopening of old claims based on accidents of infants occurring at any time during the past 21 years.

Young Cannon was injured on April 16, 1939. The car was owned by his father and driven by his mother. He suffered a multiple skull fracture, concussion of the brain and scalp and leg lacerations. He is still under treatment in Evanston, Ill., where he is living with an aunt and uncle.

The lower court and the appellate division held against the boy on the basis of the case of Sorrentino vs. Sorrentino, holding that unemancipated infant cannot maintain action against his parents for negligence.

Discuss "Hold Harmless" Clause

LOS ANGELES—The hold-harmless section in performance bonds now being required by aircraft manufacturers from recipients of orders for parts and supplies was discussed by the Surety Underwriters Association of Southern California.

In the main this clause follows the standard form used by the U. S. government in this class of bonds, but some of the aircraft firms are having the clause on patent infringements not only read "for infringement of patent rights" but have added "alleged infringement of patent rights" which increases the liability of the surety decidedly. In addition some of the bonds now accompanying these purchase orders include "users" of the things protected by patents in the hold-harmless section.

Auto Death Toll 100 Per Day in 1940

(CONTINUED FROM PAGE 23)

making this unique study of one day's accidents. The Travelers will distribute more than 1,500,000 copies of the booklet in the interest of promoting greater highway safety.

Types of Accidents Resulting in Deaths and Injuries—1940

COLLISION WITH:	Persons Killed	Percent	Persons Injured	Percent
Pedestrian	12,500	35.7	290,400	22.0
Automobile	10,400	29.7	739,590	56.0
Horse-drawn vehicle	70	.2	3,940	.3
Railroad train	2,070	5.9	7,880	.6
Street car	140	.4	12,270	.9
Other vehicle	100	.3	5,220	.4
Fixed object	3,690	10.5	98,300	7.5
Bicycle	800	2.3	43,190	3.3
Non-collision	5,030	14.4	113,990	8.6
Miscellaneous	200	.6	5,220	.4
TOTAL.....	35,000	100.0	1,320,000	100.0

Actions of Drivers Resulting in Deaths and Injuries—1940

	Persons Killed	Percent	Persons Injured	Percent
Exceeding speed limit.....	9,600	40.0	221,190	25.9
On wrong side of road.....	4,150	17.3	123,830	14.5
Did not have right-of-way...	3,000	12.5	235,700	27.6
Cutting in	360	1.5	21,350	2.5
Passing standing street car..	20	.1	1,700	.2
Passing on curve or hill.....	290	1.2	10,250	1.2
Passing on wrong side.....	290	1.2	10,250	1.2
Failed to signal and improper signaling	820	3.4	80,280	9.4
Car ran away—no driver....	40	.2	850	.1
Drove off roadway.....	1,230	5.1	23,060	2.7
Reckless driving	3,580	14.9	100,770	11.8
Miscellaneous	620	2.6	24,770	2.9
TOTAL.....	24,000	100.0	854,000	100.0

Hours of Occurrence—1940

	Persons Killed	Percent	Persons Injured	Percent
12 to 1 A. M.....	1,730	4.9	48,840	3.7
1 to 6 A. M.....	4,740	13.5	121,960	9.2
6 to 7 A. M.....	520	1.5	19,800	1.5
7 to 8 A. M.....	800	2.3	36,960	2.8
8 to 9 A. M.....	880	2.5	40,920	3.1
9 to 10 A. M.....	1,040	3.0	40,920	3.1
10 to 11 A. M.....	980	2.8	48,840	3.7
11 to 12 A. M.....	1,040	3.0	55,440	4.2
12 to 1 P. M.....	1,040	3.0	58,080	4.4
1 to 2 P. M.....	1,150	3.3	55,440	4.2
2 to 3 P. M.....	1,300	3.7	64,680	4.9
3 to 4 P. M.....	1,560	4.5	80,520	6.1
4 to 5 P. M.....	1,870	5.3	97,680	7.4
5 to 6 P. M.....	2,170	6.2	106,920	8.1
6 to 7 P. M.....	2,590	7.4	91,080	6.9
7 to 8 P. M.....	3,110	8.9	99,800	7.6
8 to 9 P. M.....	2,670	7.6	79,200	6.0
9 to 10 P. M.....	2,070	5.9	64,680	4.9
10 to 11 P. M.....	1,920	5.5	55,440	4.2
11 to 12 P. M.....	1,820	5.2	52,800	4.0
TOTAL.....	35,000	100.0	1,320,000	100.0

Days of Occurrence of Accidents—1940

	Persons Killed	Percent	Persons Injured	Percent
Sunday	7,140	20.4	237,600	18.0
Monday	4,480	12.8	171,600	13.0
Tuesday	3,780	10.8	153,120	11.6
Wednesday	4,060	11.6	163,680	12.4
Thursday	4,130	11.8	170,280	12.9
Friday	4,690	13.4	182,160	13.8
Saturday	6,720	19.2	241,560	18.3
TOTAL.....	35,000	100.0	1,320,000	100.0

National Casualty to Boost Rates on Hospitalization

National Casualty March 1 will increase premium rates on hospitalization insurance. The policies affected are Numbers 859, 880, 923b, 926 and 951.

Benefits will be limited to some extent. The increase and change in benefits, however, will affect only new issue and not policies in force.

Dinner for Moorhead, Denton

The Philadelphia personnel of both United States Casualty and New Amsterdam Casualty joined in giving a testimonial dinner to Wallace W. Moorhead, formerly Philadelphia manager of U. S. Casualty, who was recently promoted to agency manager at the home office and to Donald H. Benton,

formerly special agent for New Amsterdam Casualty, who becomes Philadelphia manager of United States Casualty.

Discuss Accident-Health Week

MILWAUKEE—The Accident & Health Underwriters of Milwaukee at a meeting Thursday will discuss plans for Accident & Health Week. R. L. Paddock, Time, chairman of the sub-committee which prepared the manual for use of local associations in connection with the observance, will tell of the work of the general committee.

The Chicago association will be guests of the Milwaukee group April 18 and the Milwaukeeans will be guests in Chicago May 13. Plans are being made to invite both the Chicago and Twin City associations to a joint outing at Wisconsin Dells in July or August.

PERSONALS

Kimball C. Atwood, Jr., vice-president Preferred Accident, and his son, Fred, came into prominence in the papers at the Father's Day program staged on Lincoln's anniversary in the workshop of New York City's well known progressive Lincoln School. Its educational policy is based on the thought that parents should participate in their children's school work. Fathers went to the workshop to have their children tell them how to handle tools and make all sorts of articles. The big event of the day was the birth of a guinea pig. Fred Atwood, 10, presided over the delivery and explained to the fathers the process. He supervised the accouchement.

W. M. West of St. Louis and Denver, one of the earliest accident and health producers of the Continental Casualty and a pioneer in the field, has purchased controlling interest in United Life, Salina, Kan. Mr. West has acquired 14,000 of 20,000 shares outstanding, and will be in active charge of the company. He plans to extend its activities to include accident and health.

W. A. Moffatt, former Kansas City manager of the U. S. F. & G., who retired last year because of ill health, has moved to his former home, Muskogee, Okla. Mr. Moffatt began his insurance career in Muskogee 30 years ago and his brother, John, is a prominent local agent there.

H. R. Kendall, chairman Washington National of Evanston, Ill., who has been incapacitated for active service for a year due to eye affliction is spending the winter at Clearwater, Fla. Some of the time he has been hospitalized. He was recovering from his first malady when his eyes were attacked with an entirely different and totally unrelated disease. Between seasons he spent some time at his office.

Geo. R. Kendall, president of the company spent February at Miami Beach.

Honor Pumphret at Boston Dinner; Six Commissioners Attend Gathering

BOSTON—George L. Pumphret, Boston manager General Accident, was honored at a testimonial dinner here. Mr. Pumphret, who has been associated with the General Accident for many years as casualty underwriter of Kaler, Carney, Liffier & Co., Boston general agents, opened the branch this year to develop eastern Massachusetts, Maine, New Hampshire and Vermont.

The 200 dinner guests included representatives of the Boston general agency, brokers and company men. Six insurance commissioners were present: Rouillard, New Hampshire; H. M. Morin, Rhode Island; Francis, Maine; Blackall, Connecticut; Harrington, Massachusetts and Lafrance, Quebec.

A. D. Cronin, Kaler, Carney, Liffier & Co., presided at the dinner and the following paid tribute to Mr. Pumphret: H. T. Cahill, lieutenant-governor of Massachusetts; Robert Goodale, manager Preferred Accident; C. W. Lovejoy, manager New England department Massachusetts Bonding, and former Maine commissioner.

Commissioner Harrington told of his long friendship with Mr. Pumphret. Other speakers were A. J. Anderson, O'Brien, Russell & Co.; Gay Gleason, general counsel Employers' Liability; Thomas Dorgan, clerk Suffolk superior court; J. H. Carney, Kaler, Carney, Liffier & Co., and J. S. Kaufman, assistant agency superintendent of the home office of General Accident.

N. J. Casualty Club Luncheon

NEWARK—The Casualty Underwriters Association of New Jersey will hold a luncheon meeting here March 12, with a prominent speaker.

50 + Years of Service

The Preferred Accident has throughout its 56-year career built up and maintained a progressive staff of agents in all parts of the country with whom its relationship has been friendly and mutually profitable.

The cornerstone of the Preferred's success has been gradual, steady growth, the emphasis being on careful underwriting in both field and home office, and a policy of claim settlements that builds good will among policyholders.

That agents appreciate this program in its broad aspects is indicated by their long time representation of the Preferred.

Automobile Accident Burglary
Plate Glass Liability

THE PREFERRED ACCIDENT INSURANCE COMPANY

of New York

80 MAIDEN LANE, NEW YORK

Edwin B. Ackerman, President

ACCIDENT AND HEALTH

Accident-Health Week and Convention L. A. Topics

LOS ANGELES—Plans for Accident & Health Week and for the coming annual convention of the National Accident & Health Association, to be held in Los Angeles June 23-25, were discussed at a meeting of the Accident & Health Managers Club of Los Angeles.

C. C. Washburn, Pacific Coast manager Preferred Accident, brought greetings from the San Francisco club, outlined its plans for Accident & Health Week and what is being done to stir up enthusiasm for the convention. He said a breakfast and a radio program are planned for the week, and that three companies are holding contests among agents for trips to the convention.

John Ford, Pacific Mutual, chairman Accident & Health Week committee, said it is planning a breakfast meeting, expects to repeat the window displays of last year and is looking forward to cooperation by the chamber of commerce as in 1940.

Dr. W. H. Scoins, assistant medical director Pacific Mutual Life, spoke on "Accident and Health Insurance from a Medical Man's Viewpoint." He said rejection of an application by the medical department is a "headache bug" that is just as deadly to effective work of the salesman as any other germ. He declared it is impossible to eliminate the things that cause these rejections, but the salesman should be taught a knowledge of them and thus prevent recurrence.

U. S. Life Appoints Brady A. & H. Assistant Manager

Daniel J. Brady has been appointed assistant manager of the accident and health department of United States Life, effective March 1. He goes to that company with 18 years experience in all phases of accident and health, underwriting, claims, and agency development. Following five years with London Guarantee, Mr. Brady was with the Sun Indemnity for 13 years. He has worked closely with life agents in adapting accident and health coverages sold in conjunction with life.

United States Life has made numerous additions to its agency force during its first year of operations in the accident and health field and the company considers Mr. Brady's appointment a progressive move in line with its program of expansion for 1941. Agency appointments have been made in Connecticut, District of Columbia, Illinois, New Jersey and New York.

Would Amend Job Act to Include Sick Benefits

Included in the annual report to Congress of the social security board is a recommendation that social insurance be extended to provide protection against wage loss due to physical disability. This proposal is of great interest to those in the accident and health business. There is now before the Illinois legislature a labor sponsored measure amending the unemployment compensation act to provide for the payment of benefits to employees who are on the sick list. This is regarded as an indirect state health insurance program.

Occidental Holds Open House

The Chicago branch of the Occidental Life of California is holding an open house Friday afternoon to introduce its new executive setup. Hosts will be A. E. McKeough, Chicago branch manager; A. D. Anderson, division manager accident and health department; J. E. Carnal, manager brokerage department; Frank Stumb, regional group representative, and G. N. Stafford, agency supervisor.

Travelers Names Ayres Group Sales Superintendent

Carl S. Ayres has been made superintendent of group sales and S. S. May, H. Ladd Plumley and W. B. Loomis, assistant superintendents, for Travelers.

Mr. Ayres is a graduate of Notre Dame University. He joined Travelers in 1923 as a field assistant at Indianapolis. In 1927 he was moved to the 55 John Street office in New York as assistant manager, group lines and in 1928 was made group supervisor of that territory. In 1930 he went into the home office where he continued his supervisory duties on a wider scale.

Mr. May did his first work for Travelers as a workmen's compensation special agent at Atlanta in 1917 and later at Detroit. Later he became a special group representative, first at Pittsburgh and then at Atlanta. In 1921 he was made assistant manager of the life department at Atlanta. He was later transferred to Charlotte as manager. In February 1924 he went to the home office as agency assistant.

Mr. Plumley graduated from Williams College. He joined the group department of Travelers in 1925, serving first in the underwriting division and later as district group supervisor and home office group supervisor.

Mr. Loomis joined Travelers in 1937, went through the training school and was assigned to the Hartford territory as a group assistant. In 1938 he was transferred to the home office as a group supervisor.

Consider Medical Service Plan

BOSTON—Over 50 physicians and surgeons appeared before the Massachusetts legislature's insurance committee supporting the Massachusetts Medical Society's proposal for the formation of non-profit medical service corporations under the supervision of the state insurance department.

The proposed plan provides for an annual fee and all medical or hospital expense would be paid direct to the hospital or physician. Subscribers would have the right to select their own physician.

Rates and conditions and contracts would be subject to the approval of the insurance commissioner.

The White Cross is backing a bill providing for a plan under the supervision of the department of health. Blue Cross representatives backed the Medical Society plan, particularly with reference to insurance department supervision.

During the hearing the White Cross group submitted a consolidation bill, combining the features of the Medical Society and White Cross bills and argued for its substitution. The Medical Society members objected to the consolidation bill, principally because it did not provide for insurance department supervision and because it provided an opportunity for qualifying physicians participating in the plan. There was no opposition to the Medical Society bill.

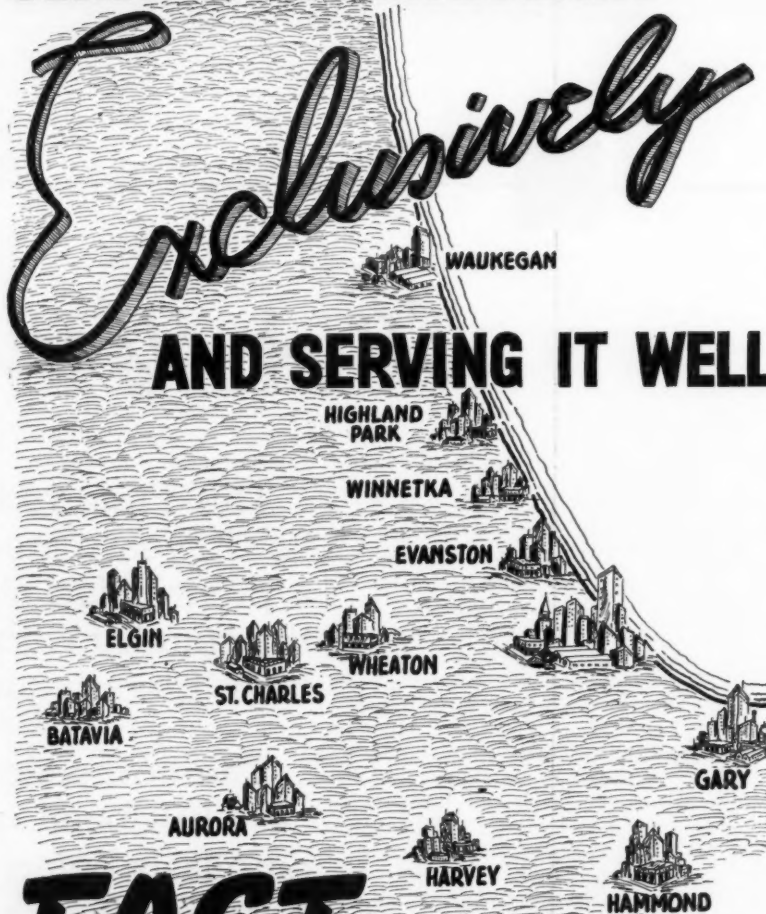
United May Boost Capital

President O. T. Hogan of United of Chicago, in a message to stockholders, states that he intends to recommend to the directors at their meeting in April that a stock or a cash dividend or possibly both be considered. Premium income last year amounted to \$1,236,430 and he estimates that the income for this year will amount to \$1,500,000. Assets are \$930,666, capital \$200,000 and net surplus \$137,372, which is the highest figure in the past 10 years.

Garretson Agency Moves

The G. H. Garretson agency of Chicago, which specializes in writing accident and health insurance on a monthly payment plan, has moved from 111 West Jackson boulevard, where it has been located for several years, to Suite 1838

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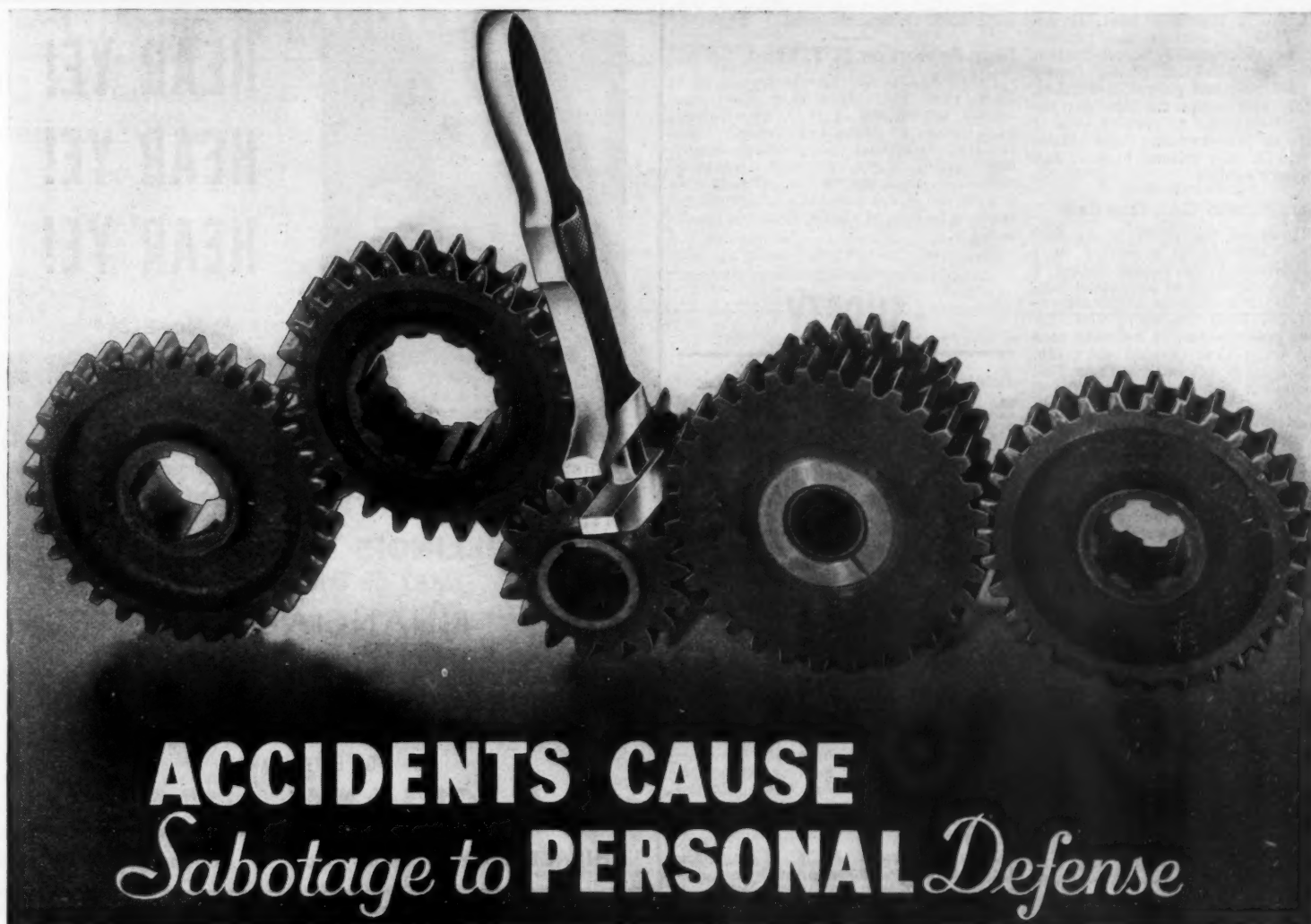
Concentrating on one job, in a limited area and doing it well has made the American Glass Company the recognized leader in the Chicago plate glass replacement field.

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IN these days of intensified national defense, the utmost vigilance is necessary to prevent any interruption in the production of needed material.

Personal defense is likewise highly vulnerable. Accidents can, and do, cause sabotage to personal defense by interrupting income. With increased employment and earnings, more than ever people need

ACCIDENT INSURANCE

The aggressive, wide-awake agent, interested not only in increasing his income, but in providing his clients and prospects with the protection they need, will stress *full coverage* Accident Insurance with particular emphasis on contracts providing adequate weekly indemnity.

*Golden
Jubilee*



*Accident
Insurance*

AETNA LIFE INSURANCE COMPANY
HARTFORD, CONNECTICUT

Board of Trade building. The old telephone number, Harrison 6047, is retained. This is one of the pioneer agencies in underwriting hospitalization insurance on individual plans, family groups, franchise and payroll deduction. Completely new equipment has been installed in the agency to provide greater efficiency in underwriting and claim service for Chicago general brokers and life insurance agents.

Travelers Punster Gets Free Rein

The Freak of the Week is the title given by Travelers to a feature in a weekly bulletin being issued during a special 13 week accident insurance campaign. The following is a typical example, taken from the claim files: "A Travelers policyholder, vacationing at a town on Cape Cod, decided on a dip. While swimming offshore a Cape Cod native mistook him for a porpoise and shot him through the left arm. Insured was paid \$195 for being short accidentally on porpoise."

Fuller Is Portland Speaker

PORTLAND, ORE.—The Portland Accident & Health Managers Club at its February meeting had E. B. Fuller, vice-president Loyal Protective Life, as guest speaker. The club went on record as excluding from membership managers of assessment companies and fraternal.

COMPENSATION

Raise Compensation Scale in Tennessee

NASHVILLE, TENN. — Commissioner McCormack has notified insurance and business interests that the amendment to the workmen's compensation act has been approved by Governor Cooper and that increased benefits will apply to all accidents occurring on and after Feb. 16.

Burial expenses have been increased from \$100 to \$150. Compensation for disability is increased from 50 percent to 60 percent of the injured employee's average wages, with a maximum of \$18 per week and a minimum of \$7 per week. The old weekly limits were \$16 and \$5. A new section has been added dealing with hernia.

The new law transfers supervision over self insurers from the department of labor to the department of insurance and banking, but enforcement of the act remains with the labor commissioner.

Among other changes, the qualification of self-insurers is transferred to the commissioner of insurance. If any time he deems the security or bond inadequate or unsafe, he can require adequate bond or security.

Rumor Borah for Ill. Post

A Chicago newspaper columnist printed the other day the rumor that Al Borah, young Republican, will be appointed chairman of the Illinois industrial commission. The present chairman is Peter J. Angsten, who has held office during several administrations.

The report is based on the fact that Borah has visited the commission offices in Chicago and told people there that he is going to take over soon. Governor Green has indicated that the decision is not final. Borah was statewide director of young Republican activities in the Green campaign.

Confirm Michigan Appointment

LANSING, MICH.—After having previously rejected J. W. Gibson, Detroit, Governor Van Wagoners appointee for chairman of the department of labor and industry, which administers the workmen's compensation law, the state senate has reversed itself and confirmed him for the post. Objections were understood to have been raised be-

cause Mr. Gibson is an official of the state C. I. O. organization.

Hipp Reports on N. Y. Fund

BUFFALO, N. Y.—Assets of the New York State Insurance Fund exceeded \$63,000,000 in 1940, an all-time high, Grady H. Hipp, fund actuary, told the Buffalo district policyholders advisory council. Earned premiums for 1940 were more than \$22,000,000. It paid out \$12,700,000 in compensation and medical services to injured employees and in death benefits.

SURETY

Assume Bond Idea for Stock Exchange Firms Is Dead

NEW YORK—No word has been received by surety interests from members of the Stock Exchange as to their attitude toward the form of bond submitted to them under which fidelity coverage would be furnished to indemnify clients against loss through dishonest practices of either partners or their employees. As the suggested bond was presented last August and an answer thereto promised not later than Oct. 1, the feeling is that the project is dead. As brokerage houses are doing scant business these days, they are apparently unwilling to assume any additional expenditures.

Brewster Firm Low Bidder

NEW YORK—George M. Brewster Son of New York, quoting \$3,406,895, was low bidder for the construction of a cofferdam and divisional tunnel for stream control and the sinking of two exploratory caissons for the Neversink dam at Neversink, N. Y. Completion time allowed is 20 months. Performance bond of \$600,000 must be supplied. The rate for the bond, promulgated by the Towner Rating Bureau, is \$8 for the first \$2,500,000; \$7.67 for the succeeding \$2,500,000, and \$7.34 per \$1,000 for the third \$2,500,000. Indemnity bonds of \$5,000 must also be furnished each municipality in which labor is employed to hold it harmless because of paupers or indigent employees who may be engaged on the work. The annual premium for each such bond is \$25.

Discuss Oregon Legislation

PORTLAND, ORE. — The Surety Association of Portland heard Fred Reed of the Harvey Wells-Reed Agency, chairman of the association's legislative committee, report on the activities of the present legislature.

N. Y. "Times" Favors Board of Trade-Bar Association Bill

NEW YORK—Endorsement of the automobile financial responsibility bill prepared by the New York State Bar Association and having the approval of the New York Board of Trade and casualty company and agency interests, now before the state legislature, has been given by the New York "Times."

"The bill does not go all the way toward compulsory automobile liability insurance, which is the goal of the state insurance department," the "Times" observes, "but it is much more than half a loaf, and stands a better chance of passage at this time than a more drastic measure. It would do much to relieve a situation in which many persons entirely innocent of blame in automobile accidents are unable to recover anything either for injuries or for property damage because of the financial irresponsibility of the party at fault."

Get Preferred in Kansas

Hussey & Hussey, Topeka, Kan., have been appointed general agents for Kansas for Preferred Accident.



HEAR YE!
HEAR YE!
HEAR YE!

No. 21941

TITIUS vs WARY et al

"We the jury, find the defendant, O. B. Wary, owner of the Semaphore Tavern, and A. M. Biguous, owner of the building, 'Guilty,' and assess the plaintiff's damages in the sum of \$12,500 and costs."

THE ILLINOIS DRAM SHOP ACT

MAY BE THE CAUSE OF

FINANCIAL RUIN

TO EVERY TAVERN KEEPER

AND THE OWNER OF EVERY BUILDING IN WHICH LIQUOR IS SERVED, WHETHER IT BE TAVERN, CLUB OR RESTAURANT.

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Perry D. Inhofe, Vice-President

ILLINOIS CASUALTY COMPANY
SPRINGFIELD

SPECIAL AGENT—NORTHERN ILLINOIS — RAY L. BRITT
SPECIAL AGENT—SOUTHERN ILLINOIS — RUSSELL H. MILLER
IOWA STATE AGENT — FRANK B. GUSTAFSON
CHICAGO SERVICE OFFICE — HOME OWNERS AGENCY

CHANGES IN CASUALTY FIELD

F&C Advances Kerr, Changes Made in Robinson, O'Leary Talbot, Bird Group

Cornelius O'Leary, Jr. and Gilbert L. Kerr have been made secretaries and Harold S. Robinson, assistant secretary of Fidelity & Casualty.

Mr. O'Leary joined Fidelity & Casualty in 1911 and in 1922 was appointed assistant secretary. He attended New York University.

Mr. Kerr was first connected with the old Casualty Company of North

Samuel Bird, formerly president and treasurer of Universal and Universal Indemnity, has now been made chairman. He has been president since Universal was started 20 years ago. John T. Byrne, vice-president and treasurer and associated with Talbot, Bond &

Co. since a youngster, becomes president and treasurer. Chairman of the board is a new office.

S. Curtis Bird, son of Samuel Bird, is vice-president and secretary; he has been a vice-president. G. W. McIndoe, marine secretary, becomes vice-president; Charles Rosebrock, formerly assistant marine secretary, now is marine secretary. R. E. Wittenberg, John G. Price and James G. Stanton have been elected as assistant secretaries. Mr. Wittenberg was Newark manager until last summer when he went to the home office to handle automobile. Mr. Price has been head claim man.

The officers of the two companies are

virtually the same as those of Talbot, Bird & Co., and are the same for Universal and Universal Indemnity except that S. Curtis Bird carries the title of vice-president only for the latter company, and Harry Bird, brother of Samuel Bird, is vice-president of the former, vice-president and secretary of the latter.

Samuel Bird, a native of England, started his insurance career with Johnson & Higgins. He organized his own brokerage firm which later became incorporated as Talbot, Bird & Company, insurance agents and managers. In 1921 he founded Universal with assets of \$600,000, which by the end of



Cornelius O'Leary



G. L. Kerr

America, then with Commercial Casualty, Fireman's Fund and later Constitution Indemnity and Fire Association. He went with F. & C. in 1932 as superintendent of the automobile department and in 1934 became superintendent of the casualty department.

Mr. Robinson started with Fidelity & Deposit in 1916, and later became assistant superintendent of the compensation and liability department. He then was connected with New Amsterdam Casualty, Pennsylvania Surety and Public Indemnity prior to joining F. & C. in 1932 as superintendent of the compensation and liability department.

T. P. Cunningham Joins Mass. Bonding in Chicago

Thomas P. Cunningham, assistant Chicago manager of Globe Indemnity in charge of surety and one of the best known surety men in the city, has joined Massachusetts Bonding as assistant manager of the Chicago branch. Mr. Cunningham has been with Globe Indemnity throughout his entire business career. He went with that company in the surety department in 1925 following graduation from Loyola University school of law. In 1928 he was made manager of the surety department and later became assistant manager of the branch in charge of surety. He is a past secretary of the Surety Association of Chicago.

O'Donnell Joins Accident & Casualty Chicago Branch

P. E. O'Donnell, assistant production manager in the Chicago office of Massachusetts Bonding, will join Accident & Casualty in Chicago March 1. His duties for the present will be to assist in the underwriting of all lines.

Mr. O'Donnell has been with Massachusetts Bonding since September, 1936. He started in the bond department and then went into accident and health work, eventually handling all lines. During this time he built up a large following in the Chicago office territory. He is a graduate of Loyola University and was in the securities business for three years before joining Massachusetts Bonding.

Conroy to Hartford Accident

KANSAS CITY—Edwin M. Conroy has been made special agent in the metropolitan area here for Hartford Accident.

Read *Manufacturer & Insurance* by L. S. Meyers to increase your sales. Send \$3 for copy to National Underwriter.



FINANCIAL STATEMENT

UNITED STATES BRANCH

December 31, 1940

ADMITTED ASSETS

*United States Government Bonds	\$11,390,244.00
*State, County and Municipal Bonds	2,071,919.00
*All other Bonds and Stocks	18,556,593.00
First Mortgages	77,500.00
Real Estate	556,469.00
Cash on Hand and in Banks	4,301,928.82
Premiums in Course of Collection not over ninety days and Sundry Balances	3,527,704.21
Accrued Interest	139,210.62

\$40,621,568.65

LIABILITIES

Unearned Premiums	\$ 8,436,633.98
Reserve for Losses	13,406,558.00
Reserve for Taxes and all other Liabilities	1,914,201.24
General Contingency Reserve	3,000,000.00
Deposit Capital	\$ 550,000.00
Surplus	13,314,175.43
Surplus to Policyholders	13,864,175.43

\$40,621,568.65

*Valuation on National Association of Insurance Commissioners' Basis. On the Basis of December 31, 1940, Market Quotations for all Bonds and Stocks owned, this Corporation's total Admitted Assets would be increased to \$41,574,894.65 and Surplus to Policyholders to \$14,817,501.43.

Securities carried at \$1,162,470.00 in the above statement are deposited for purposes required by law. The assets of the United States Branch are invested entirely in American Securities and, as required by law, are held for the benefit of American policyholders.

GENERAL ACCIDENT

FIRE AND LIFE

ASSURANCE CORPORATION, LTD.
GENERAL BUILDINGS, PHILADELPHIA

JOHN H. GRADY, UNITED STATES ATTORNEY

FINANCIAL STATEMENT

DECEMBER 31, 1940

ASSETS

*Bonds	\$2,845,883.28
*Stocks	1,289,850.00
Mortgage Loans	126,500.00
Interest Due and Accrued	32,617.69
Premiums in Course of Collection	443,268.47
Cash in Office and in Banks	797,657.92
All Other Assets	52,462.21

\$5,588,239.57

LIABILITIES

Unearned Premium Reserve	\$2,165,587.18
Losses in Course of Adjustment	362,806.76
Reserve for Taxes	63,500.00
All Other Liabilities	100,514.61
Voluntary Contingency Reserve	100,000.00
Capital	\$1,000,000.00
Net Surplus	1,795,831.02
Surplus to Policyholders	2,795,831.02

\$5,588,239.57

*Valuations of bonds and stocks on National Association of Insurance Commissioners' basis. Using December 31, 1940 market quotations the total admitted assets would be \$5,665,236.79 and Surplus to Policyholders \$2,872,828.24. Securities carried at \$352,795.61 in the above statement are deposited for purposes required by law.

THE POTOMAC INSURANCE COMPANY

OF THE
DISTRICT OF COLUMBIA

AGENCY DEPARTMENT
GENERAL BUILDINGS, PHILADELPHIA

John H. Grady, President
Thos. C. Moore,
Vice-President and Manager

A. A. Hoehling, Second Vice-President
Douglas R. Phillips, Secretary



last year stood at \$4,421,036. In 1928 he founded Universal Indemnity, with assets of \$600,000, which by Dec. 31, 1940 had risen to \$1,147,949. He was the first president of these organizations.

Mr. Byrne started his insurance career with Mr. Bird's original firm, Samuel Bird, Jr. & Company. From automobile underwriting he was transferred to marine underwriting in the firm of Talbot, Bird & Company, of which firm he became a director in 1919 and executive vice-president in 1921. When Universal and Universal Indemnity were organized he was elected to the same offices in both companies, and was also elected secretary of both. He is chairman of the Great Lakes Syndicate and active on the boards and committees of practically all the marine syndicates and organizations.

S. Curtis Bird entered the insurance business on graduating from Dartmouth in 1924. He joined Talbot, Bird & Company in 1926 and has been engaged chiefly in ocean and inland marine work. He was vice-president of all three companies prior to his election as secretary of Universal and Universal Indemnity.

Harry Bird was with Bird & Jacobs, brokers, from 1899 to 1900; with Samuel Bird & Company from 1901 to 1909; Talbot, Wallace & Company from 1909 to 1913; Talbot, Bird & Company since 1913, in charge of the loss department. Mr. McIndoe went into the insurance business with F. Herman & Company, New York, in 1908. In 1914 he joined the New York office of the Union Marine. He has been with Talbot, Bird since 1919. He is chairman of the loading committee of the Board of Underwriters of New York. Mr. Rosebrock went with Talbot, Bird in 1912. He has been in marine work since 1919, becoming marine underwriter. He held various posts in Universal and in Talbot, Bird. He is active in marine organizations.

Mr. Wittenberg, who joined Talbot, Bird in 1912, was shifted from reinsurance to automobile in 1932 and later became assistant to the head of the automobile department, in which capacity he opened a Newark branch. Mr. Tice, who started with the company in 1915, has specialized in marine insurance and is a member of a number of marine insurance and law organizations.

Mr. Stanton, whose career with Talbot, Bird dates back to 1912, was advanced to head of the ocean cargo department in 1923. He was also assistant underwriter, which position he held until his advancement to assistant secretary.

Opens Portland, Ore., Office

The Employers Mutual Liability of Wisconsin has opened a Portland, Ore., office at 315 Spalding building, in charge of B. C. McKee, northwest manager. He has recently been assisting S. F. Staples, vice-president, in a survey of Oregon.

Travelers Man Is Shifted

Solon L. Cutler, field assistant casualty lines at Buffalo, for Travelers, has been transferred to Kansas City in the same capacity.

G. H. LaBelle, Travelers field assistant in southern Michigan since 1931, has been advanced to assistant manager in the Grand Rapids district, retaining his headquarters in Kalamazoo.

Name Similarity Causes Confusion

Due to the fact that Western Casualty of Chicago, an Armour & Co. subsidiary, is retiring from business, Western Casualty & Surety of Fort Scott, Kan., has been caused some embarrassment through similarity in names. Western Casualty & Surety, of course, is a well established general writing casualty company that is operated in conjunction with Western Fire of Fort Scott and these companies had no connection whatsoever with Western Casualty of Chicago.

Interesting Case Involving Injury to a Hitch Hiker

A peculiar case involving a hitch-hiker in an automobile accident came up in the Maryland court of appeals in Moore vs. Dashiell, Jr. J. R. Moore was injured in a collision between an automobile in which he was a guest passenger as a hitch hiker operated by C. T. Dashiell, Jr., whose car ran into a mule astray on the state highway, and another automobile. The trial resulted in a verdict and judgment for the plaintiff.

The higher court stated that the case presents two questions, one was the evidence in the case legally sufficient to support an inference that the plaintiff's injuries were caused by defendant's negligence and next, if there was, did the uncontradicted evidence in the case establish as a matter of law the fact that negligence contributed to the accident which caused the injuries.

The plaintiff had obtained a ride from the defendant while hitch hiking. The car was equipped with a radio and Dashiell attempted to manipulate the radio dial located in the center of the dashboard below the windshield. While he was so engaged the car struck a mule and as a result of that collision was deflected from its course and caused it to collide with another automobile. The defendant testified that he kept his eyes on the road while in the act of changing the dial.

The court affirmed the judgment, entered in favor of the plaintiff, holding first, that whether plaintiff was an invited guest or a guest of surffiance is not material for the evidence permits a finding that he was an invitee. Therefore, defendant was bound to use reasonable care to avoid injuries. The defendant's failure to see the mule until he hit it was evidence which permitted the inference that he was negligent in not maintaining a proper lookout.

COMPANIES

American Surety Gives Life History in Figures

American Surety, in its annual statement booklet, gives in tabloid fashion its experience during its whole business existence. During the life of the company, net premium income has been \$252,828,335, net paid losses were \$73,807,538, expenses were \$156,073,465. That leaves an excess from underwriting, subject to reserves, of \$22,947,332, which is equivalent to 9.07 percent of the net premium income. Income from investments was \$26,466,752 and stockholders received in cash dividends \$25,887,350.

American Surety also compares its loss ratios in 1940 with the experience during its entire life. For instance the fidelity-surety loss ratio on a paid basis for 1940 was 18.57 as compared with

28.15 for the entire period. Burglary-forgery ratio was 10.72 as compared with 31.39. Plate glass was 39.59 as compared with 35.16 and other casualty was 36.85 as compared with 37.29.

The total claims presented in 1940 numbered 29,880. That was an increase of 3,324 from the previous year. The greatest increase was in compensation, it being 2,223. There was an increase of 745 in auto property damage claims, 221 in fidelity, 188 in plate glass, 111 in auto P. L., 111 in miscellaneous P. D. and collision.

The total fidelity claims were 1,010, blanket bonds 2,337, official 305, surety 442, burglary 447, forgery 243, plate glass 1,611, auto P. L. 1,984, auto P. D. 6,944, auto collision 36, miscellaneous liability 2,185, other P. D. and collision 399 and compensation 11,907.

American States Report Reflects Good Year

American States increased its assets \$350,391 in 1940 to bring the total to \$2,696,208. Unearned premium reserve was \$1,044,111, compared with \$892,276, a gain of \$151,835. Loss reserve was \$607,763, up \$87,101. Capital continued at \$350,000, but surplus was \$400,000, an increase of \$50,000. On the basis of market values, surplus would be increased by \$26,980 more.

In 1938, 1939, and 1940 the company had less than 1 3/5 suits outstanding per \$100,000 of earned liability premiums.

Anchor Casualty Premiums Up

Anchor Casualty in 1940 showed the substantial increase in premium writings of \$330,101, with total net writings for the year of \$2,088,040. Assets increased by \$346,877 to \$2,946,655. Unearned premium reserves increased in the amount of \$114,465, as was the surplus to policyholders in the amount of \$74,092, leaving surplus to policyholders for the year of \$877,035.

Halt Lansing Casualty Mutual

LANSING, MICH. — Commissioner Berry has taken steps to terminate the attempted organization of the Northwestern Mutual Casualty of Lansing, having started liquidation proceedings in circuit court here through the attorney-general. The court issued a temporary injunction and set a hearing for April 1.

An examination, it was stated, revealed that the embryo mutual had not obtained sufficient agreements for insurance or applications for membership and the company's condition indicated it could not meet requirements for incorporation.

Orlando Company Pays Dividend

American Fire & Casualty of Orlando, Fla., has declared a dividend of 30 cents per share to stock of record Feb. 24. The company earned \$1.78 per share for 1940 and increased its assets \$70,536. Assets

No Business Direct



NATIONAL SURETY CORPORATION

VINCENT CULLEN
President

5-Points

- FINANCIAL STABILITY
- FULL PROTECTION
- PROMPT SERVICE
- AGENCY COOPERATION
- CONSERVATIVE MANAGEMENT

Pennsylvania Casualty Company—a financially solid and progressive company—affords these and other benefits. Agency opportunities in your territory. Write today for information.

PENNSYLVANIA
CASUALTY COMPANY
LANCASTER • PENNSYLVANIA
22 Years of Service

AMERICAN RE-INSURANCE CO.

Robert C. Ream, President

99 John Street

New York

DECEMBER 31st, 1940

CAPITAL	\$2,000,000.00
Surplus	4,926,437.24
Voluntary Contingency Reserve	500,000.00
Reserve for Losses	4,594,168.33
All Other Liabilities	2,999,879.26
TOTAL ADMITTED ASSETS	15,020,484.83

NOTE: Securities carried at \$355,312.50 in the above statement are deposited as required by law.

CASUALTY • FIDELITY • SURETY
Re-Insurance

are \$888,738 and policyholders' surplus \$427,284.

Ernest F. Stockwell of Hamilton, Mass., president of Barbour Stockwell Company and Donald Comer, Birmingham, Ala., textile manufacturer, have been elected directors of American Mutual Liability.

Ace Mutual, Ia.—Assets, \$65,837; inc., \$18,314; unearned prem., \$46,675; loss res., \$6,093; surplus, \$10,215; inc., \$203. Experience:

	Net Prems.	Losses Pd.
Auto liability	\$ 34,900	\$ 13,161
Auto prop. damage	22,102	9,722
Auto collision	30,692	19,094
Other auto	26,126	9,512
Total	\$ 113,830	\$ 51,489

Allied Underwriters—Assets, \$300,040; inc., \$12,180; unearned prem., \$112,874; loss res., \$3,902; liab. res., \$39,577; comp. res., \$62,138; surplus, \$64,437; inc., \$2,601. Experience:

	Net Prems.	Losses Pd.
Auto fire	\$ 4,863	\$ 2,788
Auto theft	431	99
Auto liability	110,444	57,072
Other liability	15,884	2,207
Workmen's comp.	150,344	62,424
Fire	—1,519	4,855
Windstorm	—114	682
Cargo	9,355	3,853
Auto prop. damage	55,853	5,831
Auto collision	6,261	5,596
Other P. D. and coll.	17,821	194
Other auto	1,512	7
Total	\$ 371,137	\$ 145,614

American Guar. & Liab.—Assets, \$2,819,793; inc., \$1,321,864; unearned prem., \$81,557; loss res., \$9,660; capital, \$1,250,000; surplus, \$1,463,222; inc., \$967,913. Experience:

	Net Prems.	Losses Pd.
Fidelity	\$ 36,506	\$ 2,124
Steam boiler	49,299	1,050
Engine and machine	23,996	1,107
Total	\$ 109,801	\$ 4,281

American Indemnity—Assets, \$4,587,249; inc., \$350,890; unearned prem., \$1,202,494; loss res., \$154,709; liab. res., \$672,011; capital, \$1,000,000; surplus, \$800,000; inc., \$125,000. Experience:

	Net Prems.	Losses Pd.
Auto liability	\$ 978,506	\$ 411,009
Other liability	16,642	15
Auto theft	20,257	5,940
Fidelity	8,977	3,115
Surety	45,366	4,541
Plate glass	49,627	17,740
Burglary and theft	46,297	11,405
Auto fire	174,742	65,300
Auto tornado	35,399	13,929
Auto prop. damage	342,726	177,450
Auto collision	308,183	135,811
Other P. D. and coll.	1,780	.....
Auto fire	225,181	71,612
Total	\$2,253,683	\$ 917,867

American Reinsurance—Assets, \$15,020,484; inc., \$524,265; unearned prem., \$1,635,304; loss res., \$624,131; liab. res., \$1,677,264; comp. res., \$2,292,772; capital, \$2,000,000; surplus, \$4,926,437; inc., \$1,414. Experience:

	Net Prems.	Losses Pd.
Accident	\$ 10,393	\$ 2,234
Health	333	448
Auto liability	685,689	283,888
Other liability	295,559	75,865
Workmen's comp.	645,052	57,243
Fidelity	471,680	162,982
Surety	888,893	119,429
Plate glass	625	.....
Burglary and theft	154,633	61,978
Steam boiler	4,504	152
Engine and mach.	7,424	28
Auto prop. damage	23,787	3,764
Auto collision	791	.....
Other P.D. and coll.	33,398	16,962
Water damage	508	.....
Total	\$3,223,278	\$ 784,979

Atlantic Casualty—Assets, \$291,883; unearned prem., \$52,756; loss res., \$6,820; liab. res., \$72,409; capital, \$100,000; surplus, \$59,238; dec., \$731. Experience:

	Net Prems.	Losses Pd.
Auto liability	\$ 80,414	\$ 18,943
Auto prop. damage	24,577	7,943
Total	\$ 104,992	\$ 26,887

American Surety—Assets, \$27,107,331; inc., \$478,083; unearned prem., \$6,358,547; loss res., \$2,881,924; liab. res., \$1,229,787; comp. res., \$931,239; capital, \$7,500,000; surplus, \$5,901,923; inc., \$64,560. Experience:

000; surplus, \$5,901,923; inc., \$64,560. Experience:

	Net Prems.	Losses Pd.
Auto liability	\$1,081,290	\$ 404,638
Other liability	835,844	225,387
Workmen's comp.	1,237,512	520,710
Fidelity	3,758,502	860,280
Surety	2,658,312	331,226
Plate glass	121,006	47,911
Burglary and theft	446,103	47,800
Auto prop. damage	329,915	145,836
Auto collision	10,041	3,834
Other P. D. and coll.	62,717	10,469
Total	\$10,541,246	\$2,598,096

Beacon Mut. Indem.—Assets, \$326,297; inc., \$47,900; unearned prem., \$305,672; loss res., \$15,699; liab. res., \$70,445; capital, \$200,000; surplus, \$65,263; inc., \$11,174. Experience:

	Net Prems.	Losses Pd.
Accident	\$ 18,060	\$ 3,984
Health	678	40
Auto liability	129,601	55,247
Plate glass	357	140
Auto prop. damage	63,186	29,289
Auto collision	73,105	35,272
Other auto	50,814	12,786
Total	\$ 335,805	\$ 136,760

Celina Mut. Cas.—Assets, \$1,231,286; inc., \$116,134; unearned prem., \$352,632; loss res., \$70,128; liab. res., \$278,816; surplus, \$376,682; inc., \$20,167. Experience:

	Net Prems.	Losses Pd.
Auto liability	\$ 393,223	\$ 178,096
Auto fire	24,862	7,314
Cargo	185	8
Auto theft	20,126	6,060
Auto tornado	4,612	746
Auto prop. damage	158,128	76,848
Auto collision	126,984	61,734
Comprehensive	51,514	13,567
Total	\$ 779,634	\$ 342,375

Colonial Mut. Compensation—Assets, \$535,914; inc., \$81,029; comp. res., \$277,795; surplus, \$207,026; inc., \$13,032. Experience:

	Net Prems.	Losses Pd.
Workmen's comp.	\$ 417,538	\$ 166,305

Consolidated Underwriters—Assets, \$4,278,738; inc., \$223,061; unearned prem., \$524,334; loss res., \$60,505; liab. res., \$524,009; comp. res., \$1,293,495; surplus, \$1,796,018; inc., \$156,567. Experience:

	Net Prems.	Losses Pd.
Auto liability	\$ 585,126	\$ 278,198
Other liability	316,406	127,829
Workmen's comp.	1,662,926	748,529
Auto prop. damage	153,950	61,073
Auto collision	135,627	67,296
Other auto	134,527	24,450
Total	\$2,988,564	\$1,307,377

Continental Casualty—Assets, \$40,097,449; inc., \$2,806,248; unearned prem., \$9,000,000; surplus, \$2,806,248; inc., \$2,806,248. Experience:

	Net Prems.	Losses Pd.
Auto liability	\$ 585,126	\$ 278,198
Other liability	316,406	127,829
Workmen's comp.	1,662,926	748,529
Auto prop. damage	153,950	61,073
Auto collision	135,627	67,296
Other auto	134,527	24,450
Total	\$2,988,564	\$1,307,377

CLAIM MAN EXPERIENCED AVAILABLE

Man, 38, married, admitted to practice of law 14 years with most of that time specializing in the insurance field, having had several years experience as an outside adjuster, with knowledge of Branch Claim Office operations and trained in Home Office routine with General Counsel experience. Now employed, desires change of employment for financial reasons, with A-1 company, sincerity of purpose will be appreciated and compensated. Available April 15. Please state territory and salary in reply. All answers will be acknowledged. A personal interview will be arranged with a prospective employer. Address M-90, The National Underwriter, 175 W. Jackson Blvd., Chicago, Ill.

WANTED ASSISTANT CLAIM SUPERINTENDENT

By established Chicago automobile insurance company. Age 26 to 32. Must be thoroughly experienced in fire, theft and collision claim work. Send full particulars and photograph. Address M-96, The National Underwriter, 175 W. Jackson Blvd., Chicago, Ill.

WANTED

Multiple line Casualty and Surety department head wants to buy half or greater interest in old established direct producing General Agency producing \$50,000 premium volume or over. Address M-93, The National Underwriter, 175 W. Jackson Blvd., Chicago, Ill.

107,853; loss res., \$6,807,612; liab. res., \$5,261,555; comp. res., \$3,582,156; non-can. A. & H. res., \$1,365,007; capital, \$2,000,000; surplus, \$7,919,670; inc., \$1,097,619. Experience:

	Net Prems.	Losses Pd.
Accident	\$4,380,913	\$1,420,306
Health	3,779,295	1,900,389
Non-can. H. & A.	592,416	750,359
Auto liability	5,446,210	2,077,034
Other liability	2,283,511	609,923
Workmen's comp.	3,966,770	1,785,973
Fidelity	588,178	137,764
Surety	1,235,651	185,899
Plate glass	372,636	167,480
Burglary and theft	819,196	199,092
Steam boiler	117,286	5,321
Engine and mach.	33,620	1,035
Auto prop. damage	1,630,373	787,185
Auto collision	24,799	6,923
Other P.D. and coll.	101,440	39,077
Total	\$25,372,294	\$10,073,760

Economy Auto—Assets, \$1,077,915; inc., \$68,869; unearned prem., \$322,936; loss res., \$38,625; liab. res., \$151,403; capital, \$200,000; surplus, \$230,601; inc., \$29,046. Experience:

	Net Prems.	Losses Pd.
Auto fire	\$ 18,666	\$ 7,033
Auto theft	12,484	2,102
Auto liability	319,185	137,493
Comprehensive	55,272	16,508
Auto prop. damage	141,188	48,970
Auto collision	150,364	79,837
Other auto	5,008	820
Total	\$ 702,169	\$ 292,764

Electric Mut. Liab.—Assets, \$1,069,313; inc., \$37,243; unearned prem., \$42,616; loss res., \$4,707; liab. res., \$70,674; comp.

res., \$114,235; surplus, \$796,252; inc., \$49,074. Experience:

	Net Prems.	Losses Pd.
Auto liability	\$ 57,338	\$ 9,013
Other liability	13,295	3,652
Workmen's comp.	182,857	78,445
Auto prop. damage	15,266	4,512
Other P. D. and coll.	3,733	518
Total	\$ 272,489	\$ 96,139

Employers Mut. Cas., In.—Assets, \$7,221,137; inc., \$411,458; unearned prem., \$1,245,269; loss res., \$152,194; liab. res., \$687,894; comp. res., \$898,792; surplus, \$871,244; inc., \$98,453. Experience:

	Net Prems.	Losses Pd.
Accident	\$ 24,420	\$ 3,677
Auto liability	985,656	376,389
Other liability	208,827	30,014
Workmen's comp.	1,275,370	753,447
Plate glass	14,724	6,093
Auto fire	85,557	28,252
Auto theft	69,774	14,352
Auto tornado	39,527	35,838
Auto prop. damage	367,922	193,389
Auto collision	201,988	104,630
Other P. D. and coll.	16,233	5,898
Total	\$3,300,008	\$1,552,029

Goodville Mut. Cas., Pa.—Assets, \$303,417; inc., \$17,799; unearned prem., \$63,933; loss res., \$2,431; liab. res., \$29,164; surplus, \$98,951; inc., \$15,706. Experience:

	Net Prems.	Losses Pd.
Auto liability	\$ 73,809	\$ 7,377
Auto prop. damage	53,818	12,280
Total	\$ 127,628	\$ 19,658

Employers Cas., Tex.—Assets, \$3,911,274; inc., \$439,209; unearned prem., \$1,000,000; surplus, \$2,439,209; inc., \$439,209. Experience:



LIBERALITY in claim handling spells satisfaction to policyholders. The General Accident's broad Residence Burglary Coverage is supported by a claim policy that makes friends.

GENERAL ACCIDENT

FIRE AND LIFE
ASSURANCE CORPORATION, LTD.

General Buildings Philadelphia

REINSURANCE — EXCESS COVERS

EXCESS UNDERWRITERS, INC.

JOSEPH P. GIBSON, JR.
PRESIDENT

MORTIMER D. PIER
SECRETARY

90 John Street

New York, N. Y.

481,911; loss res., \$162,722; lib. res., \$725,704; comp. res., \$187,088; capital, \$500,000; surplus, \$568,673; inc., \$18,368. Experience:

	Net Prems.	Losses Pd.
Hospitalization	\$ 394,406	\$ 254,434
Auto liability	923,212	390,017
Other liability	287,497	82,391
Workmen's comp.	466,648	251,872
Bonds	6,929	1,600
Plate glass	19,919	6,959
Burglary and theft.	20,000	4,399
All other fire, etc.	352,416	101,913
Auto prop. damage.	314,591	154,651
Auto collision	287,041	111,202
Other P.D. and coll.	37,521	6,502
Other auto	48,964	15,961
Total	\$3,159,149	\$1,382,007

General Reinsurance—Assets, \$17,292,610; dec., \$449,285; unearned prem., \$2,147,806; loss res., \$2,092,311; lib. res., \$2,808,243; comp. res., \$1,973,678; capital, \$1,000,000; surplus, \$6,000,000. Experience:

	Net Prems.	Losses Pd.
Accident	\$ 438,396	\$ 208,811
Health	73,628	36,358
Auto liability	1,602,499	628,312
Other liability	578,986	127,691
Workmen's comp.	504,935	116,995
Fidelity	591,305	158,310
Surety	735,866	268,225
Plate glass	10,659	237
Burglary and theft.	347,654	37,632
Steam boiler	85,550	1,218
Engine and machine	54,074	831
Auto prop. damage.	67,718	1,557
Auto collision	6,281	.....
Other P. D. and coll.	122,389	20,689
Total	\$5,219,920	\$1,606,866

Glens Falls Indemnity—Assets, \$12,555,187; inc., \$851,457; unearned prem., \$3,638,070; loss res., \$660,384; lib. res., \$2,385,365; comp. res., \$1,467,079; capital, \$1,000,000; surplus, \$2,794,943; inc., \$189,487. Experience:

	Net Prems.	Losses Pd.
Accident	\$ 263,098	\$ 101,075
Health	23,898	10,910
Auto liability	1,975,998	712,232
Other liability	1,255,407	281,094
Workmen's comp.	1,634,397	691,108
Fidelity	208,443	39,427
Surety	885,482	121,888
Plate glass	176,449	73,966
Burglary and theft.	357,647	99,741
Auto prop. damage.	573,979	259,687
Auto collision	40,318	24,003
Other P.D. and coll.	72,009	17,742
U. S. corn loan	692	371
Total	\$7,467,817	\$2,433,245

Highway Mut. Cas.—Assets, \$235,970; inc., \$97,070; unearned prem., \$74,821; lib. res., \$245; comp. res., \$66,101; surplus, \$84,537; inc., \$26,139. Experience:

	Net Prems.	Losses Pd.
Other liability	\$ 6,592	\$ 78
Workmen's comp.	238,262	78,660
Other P. D. and coll.	485	11
Total	\$ 245,329	\$ 78,749

Highway Underwriters—Assets, \$435,806; inc., \$63,488; unearned prem., \$147,111; loss res., \$8,205; lib. res., \$79,347; comp. res., \$20,496; surplus, \$163,369; dec., \$1,992. Experience:

	Net Prems.	Losses Pd.
Auto liability	\$ 182,208	\$ 54,115
Workmen's comp.	40,160	20,429
Auto prop. damage.	69,721	9,493
Cargo, etc.	24,852	3,668
Total	\$ 316,941	\$ 87,705

Hoosier Casualty—Assets, \$1,441,828; inc., \$106,963; unearned prem., \$397,499; loss res., \$115,777; lib. res., \$219,246; capital, \$200,000; surplus, \$305,074; inc., \$25,476. Experience:

	Net Prems.	Losses Pd.
Accident and health.	\$ 504,022	\$ 199,314
Auto liability	342,977	145,850
Auto fire	10,543	3,259
Auto theft	7,750	771
Auto tornado	1,669	145
Comprehensive	90,416	24,892
Auto prop. damage.	153,142	77,942
Auto collision	192,730	95,353
Auto, misc.	378	77
Total	\$1,303,630	\$ 547,607

Ill. Agricultural Mut.—Assets, \$2,619,760; inc., \$298,607; unearned prem., \$538,534; loss res., \$249,048; lib. res., \$436,294; employers lib. res., \$27,214; surplus, \$1,279,520; inc., \$136,014. Experience:

	Net Prems.	Losses Pd.
Accident	\$ 18,578	\$ 4,073
Auto liability	679,634	337,937
Empl. liability	46,752	12,196
Fire, wind and theft	256,715	48,316
Auto prop. damage.	275,458	153,820
Auto collision	676,221	539,571
Livestock	5,557	3,057
Total	\$1,958,914	\$1,098,970

Ill. Natl. Cas.—Assets, \$960,434; inc., \$74,065; unearned prem., \$351,594; loss res., \$50,339; lib. res., \$170,033; capital, \$200,000; surplus, \$121,514; inc., \$20,634. Experience:

	Net Prems.	Losses Pd.
Medical reimburse.	\$ 17,320	\$ 1,990
Auto fire	11,859	1,712
Auto liability	339,394	111,814
Auto wind	2,393	201
Auto theft	8,297	555
Auto prop. damage.	154,454	62,885
Auto collision	227,969	126,991
Auto comprehensive	79,858	28,549
Total	\$41,549	\$ 334,700

Independence, Ky.—Assets, \$514,887; dec., \$2,431; unearned prem., \$48,677; loss res., \$20,065; capital, \$100,000; surplus, \$330,569; dec., \$17,403. Experience:

	Net Prems.	Losses Pd.
Accident	\$ 259,736	\$ 97,630
Inter-Ins. Exch. Chicago Motor Club		
—Assets, \$4,139,687; inc., \$67,957; unearned prem., \$1,545,505; loss res., \$216,179; lib. res., \$1,041,863; surplus, \$1,046,751; inc., \$1,682. Experience:		
Auto liability	\$1,245,485	\$ 443,075
Auto prop. damage.	422,677	177,235
Auto collision	833,519	418,515
Other auto	608,069	106,914
Total	\$3,109,750	\$1,145,739

Interstate Business Men's—Assets, \$535,680; inc., \$2,680; unearned prem., \$69,795; loss res., \$71,533; surplus, \$333,789; dec., \$19,310. Experience:

	Net Prems.	Losses Pd.
Accident	\$ 227,646	\$ 98,032
Health	212,402	103,755
Total	\$ 440,048	\$ 201,787

Iowa State Traveling Men's—Assets, \$695,419; unearned prem., \$43,833. Experience:

	Net Prems.	Losses Pd.
Accident and health.	\$ 710,877	\$ 440,207
Keystone Mut. Cas.		
—Assets, \$877,342; inc., \$273,635; unearned prem., \$336,249; loss res., \$35,142; lib. res., \$222,291; surplus, \$161,689; inc., \$58,465. Experience:		
Auto liability	\$ 435,627	\$ 96,423
Other liability	50,866	5,620
Plate glass	8,246	3,653
Burglary and theft.	8,354	2,132
Auto prop. damage.	176,125	83,062
Auto collision	7,341	3,236
Other P. D. and coll.	4,939	2,036
Total	\$ 691,501	\$ 196,164

Lumber Mut. Cas., N. Y.—Assets \$2,970,125; inc., \$45,956; unearned prem., \$388,397; loss res., \$41,668; lib. res., \$340,390; comp. res., \$1,224,509; surplus, \$691,771; dec., \$150,913. Experience:

	Net Prems.	Losses Pd.
Auto liability	\$ 173,136	\$ 53,908
Other liability	132,211	19,038
Workmen's comp.	1,502,013	708,950
Auto prop. damage.	54,237	21,526
Auto collision	4,140	1,042
Other P. D. and coll.	23,504	6,742
Total	\$1,889,241	\$ 811,206

London Guarantee—Assets, \$15,487,067; inc., \$402,930; unearned prem., \$2,812,408; loss res., \$545,464; lib. res., \$1,944,573; comp. res., \$3,538,061; capital deposit, \$900,000; surplus, \$5,158,058; inc., \$722,560. Experience:

	Net Prems.	Losses Pd.
Accident	\$ 174,738	\$ 60,678
Health	10,977	6,472
Water damage	1,720	930
Auto liability	1,482,585	740,247
Other liability	1,009,694	243,623
Workmen's comp.	2,360,623	1,271,920
Fidelity	248	732
Surety	13,574	2,146
Plate glass	138,235	58,881
Burglary and theft.	308,410	79,933
Steam boiler	121,971	14,284
Engine and mach.	36,929	6,705
Auto prop. damage.	465,882	221,298
Auto collision	17,039	5,578
Other P. D. and coll.	90,699	13,039
Credit	707,750	41,821
Total	\$6,941,081	\$2,768,293

Mrs. & Wholesalers Indemnity—Assets, \$396,590; inc., \$17,520; unearned prem., \$111,890; loss res., \$8,389; lib. res., \$17,272; surplus, \$249,492; inc., \$9,821. Experience:

	Net Prems.	Losses Pd.
Auto liability	\$ 166,067	\$ 61,142
Other liability	12,576	60
Cargo	1,618	393
Auto prop. damage.	57,976	24,950
Auto collision	34,303	11,818
Other P.D. and coll.	1,704	88
Other auto	35,627	5,951
Total	\$ 309,875	\$ 104,405

Mercer Casualty—Assets, \$1,152,921; inc., \$30,012; unearned prem., \$263,070; loss res., \$47,493; lib. res., \$196,077; capital, \$250,000; surplus, \$283,340; inc., \$16,891. Experience:

	Net Prems.	Losses Pd.
Accident	\$ 16,661	\$ 1,315
Auto liability	282,211	134,965
Other liability	6,872	333
Auto fire	16,136	4,915
Cargo	3,800	350
Plate glass	11,501	5,999
Auto theft	13,772	5,191
Auto tornado	2,025	276
Auto prop. damage.	110,643	56,610
Auto collision	79,325	35,938
Other P.D. and coll.	345	2
Comprehensive	30,982	6,371
Total	\$ 574,273	\$ 252,270

Michigan Mut. Liability—Assets, \$8,655,985; inc., \$831,596; unearned prem., \$2,011,597; loss res., \$220,597; lib. res., \$901,038; comp. res., \$2,948,203; surplus, \$2,013,973; inc., \$221,446. Experience:

	Net Prems.	Losses Pd.
Accident and health.	\$ 186,625	\$ 131,178
Auto liability	1,124,719	445,513
Other liability	152,212	27,252
Workmen's comp.	2,932,200	1,288,049
Plate glass	3,707	2,419
Auto medical pymts.	61,411	7,859
Auto compre.	253,517	91,463
Auto prop. damage.	496,119	233,993
Auto collision	595,644	310,711
Other P. D. and coll.	25,316	2,713
Auto fire, theft & tornado	64,124	11,329
Total	\$5,896,594	\$2,552,479

Michigan Surety—Assets, \$898,461; inc., \$66,178; unearned prem., \$164,584; loss res., \$50,883; capital, \$300,000; surplus, \$423,242; inc., \$57,613. Experience:

	Net Prems.	Losses Pd.
Fidelity	\$ 28,339	\$ 3,738
Surety	144,855	7,453
Total	\$ 173,194	\$ 11,191

Motor Vehicle Casualty—Assets, \$1,064,308; dec., \$19,372; unearned prem., \$442,364; loss res., \$23,910; lib. res., \$180,516; capital, \$200,000; surplus, \$140,321; dec., \$35,975. Experience:

	Net Prems.	Losses Pd.
Accident	\$ 555	\$ 120
Auto liability	401,651	187,892
Auto fire & wind.	8,299	5,587
Auto theft	7,424	3,927
Auto comprehensive	110,831	24,128
Auto prop. damage.	161,411	50,436
Auto collision	202,111	126,469
Other auto	10,166	1,152
Total	\$ 902,448	\$ 399,711

National A. & H.—Assets, \$699,985; inc., \$65,867; unearned prem., \$44,469; loss res., \$79,764; capital, \$200,000; surplus, \$305,858; inc., \$52,652. Experience:

	Net Prems.	Losses Pd.
Accident and health.	\$1,085,857	\$ 385,949
National Mut. Cas.		
—Assets, \$755,314; inc., \$135,831; unearned prem., \$296,506; loss res., \$30,430; lib. res., \$104,779; comp. res., \$122,125; surplus, \$143,223; inc., \$9,854. Experience:		
Accident	\$ 239	\$ 171
Auto liability	280,813	69,408
Other liability	19,471	789
Workmen's comp.	282,047	190,320
Fidelity	1,723	89
Surety	4,210	205
Plate glass	392	205
Burglary and theft.	771	872
All other auto.	50,136	17,608
Auto prop. damage.	134,567	26,969
Auto collision	66,290	16,767
Other P. D. and coll.	3,661	421
Cargo	18,471	10,803
Total	\$ 862,790	\$ 332,845

National Protective—Assets, \$816,670; inc., \$127,665; unearned prem., \$212,645; loss res., \$65,356; capital, \$25,000; surplus, \$343,463; inc., \$56,939. Experience:

	Net Prems.	Losses Pd.
Accident	\$ 354,072	\$ 82,609
Health	166,111	49,023
Total	\$ 520,183	\$ 131,632

N. Y. Casualty—Assets, \$5,689,899; inc., \$243,458; unearned prem., \$1,546,390; loss res., \$425,686; lib. res., \$709,991; comp. res., \$301,424; capital, \$1,000,000; surplus, \$1,350,763; inc., \$100,304. Experience:

	Net Prems.	Losses Pd.
Auto liability	\$ 669,585	\$ 280,516
Other liability	402,734	115,874
Workmen's comp.	371,562	192,499
Fidelity	458,851	90,055
Surety	392,450	73,388
Plate glass	159,642	62,283
Burglary and theft.	145,669	28,141
Auto prop. damage.	212,816	97,701
Auto collision	7,142	2,323
Other P. D. and coll.	26,340	4,681
Total	\$2,846,694	\$ 947,365

North American Accident—Assets, \$2,664,279; inc., \$212,721; unearned prem., \$1,415,652; loss res., \$604,605; capital, \$400,000; surplus, \$687,795; inc., \$46,293. Experience:

	Net Prems.	Losses Pd.
Accident-health	\$4,694,504	\$1,646,396

Northwest Casualty—Assets, \$3,101,243; inc., \$555,869; unearned prem., \$1,291,066; loss res., \$131,434; lib. res., \$790,785; capital, \$400,000; surplus, \$387,037; inc., \$49,624. Experience:

	Net Prems.</
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POINTERS FOR LOCAL AGENTS

Defense Work Creates Big Need for U. & O., Erion Says

Governmental demands in the defense program coupled with critical situations imposed on industry in securing replacements and purchasing tools and raw materials have created a more urgent need for business interruption insurance than ever before in industry, F. L. Erion, prominent Chicago adjuster, declared in a talk on prospective earnings at the Insurance Forum conducted by Fred S. James & Co., Chicago, attended by many insurance buyers.

Mr. Erion said insurance today is ahead of industry and ready to cover hazards that industry in the past has not insured. Yet only a few years ago business men were demanding broad insurance forms that were not available and said they were willing to pay the price. Business and industry should listen to insurance salesmen today and look over their wares, Mr. Erion said, because insurance now offers considerably improved protection under many new forms that are really worthy of serious consideration and should be secured by many property owners.

Increased Earnings, Payrolls

Manufacturers are running to capacity with extra labor shifts in their present quarters; are building additions to old plants and erecting new ones. Their earnings and payrolls are increasing rapidly. The increase in earnings magnifies a need for use and occupancy insurance, and the increased payrolls cause an added volume of sales in mercantile establishments and intensify the merchant's need for business interruption insurance.

"What manufacturer or merchant can estimate with reasonable certainty how long it would take to restore his premises if they should be destroyed?" he asked. "Defense activities have created a situation that affects not only plants which have government or armament contracts but which extends to affect all commerce of every nature. Only a short time ago idle plants were available and equipment could be readily secured, but now there are no idle plants and manufacturers cannot guarantee delivery dates."

He said the government undoubtedly will cause equipment manufacturers to give priority to orders for preparedness, which means that equipment for normal plants will not be available for months to come.

Hard Facts Face Industrialists

High pressure salesmanship is not needed to show the necessity of adequate insurance today; the actual facts and conditions speak for themselves. Clothing manufacturers are delayed in getting woollens because of government demand for cloth and blankets. Bedding manufacturers, shirt and underwear makers, chemicals, scientific instruments and many other lines are in similar positions, and this means that retail merchants will be delayed in replacing their stocks; it will take longer to restore the buildings if damaged by fire.

There is no limit to the time for which use and occupancy is liable, he said, except the time necessary with due diligence and dispatch to restore the property, so it is necessary only for property owners to carry insurance sufficient to meet any contingency of lengthened restoration period, and this may be

done regardless of the coinsurance feature. That is, if policies are written with 80 percent coinsurance and the amount of insurance is in excess of that requirement, the insurance liability is not lessened by the coinsurance clause.

Extended Coverage Essential

He urged attaching the extended coverage endorsement to all policies, noting that there is in process now a loss adjustment involving use and occupancy due to gas explosion in a heat treating

oven. Except for the extended coverage there would be no insurance liability.

Mr. Erion said the standard U. & O. form excludes ordinary payroll from Item 1 but provides for insuring it under Item 2. The latter requires an amount equal to the entire ordinary payroll for not exceeding 90 days. This limitation has caused most employers not to insure ordinary payroll. However, many now are covering it for 181 days or longer. There are three reasons: If they are shut down their workers will go to competitors and probably not be available when operations resume. Also, when ordinary payroll is insured for a period of over 180 days the rate for Item 2 is the same as for Item 1. Third, because of the penalty for unemployment tax which will ensue a period of unpaid employees.

Progressive Prospecting—Painless Presentations

The importance of fitting the policy to the pocketbook of the prospect was emphasized by A. M. Holtzman, manager Mutual Benefit Health & Accident, Rochester, N. Y., in his talk before the accident and health forum of Pittsburgh Insurance Day.

"We must adjust the lenses of our insurance spectacles to the prospect's financial capacity," he said. "The wise salesman will exploit a policy of sufficient size to take off the financial strain of any disability—no more, no less. Don't forget the small accident premium policy will renew year in and year out—without the burden of resolicitation. We can't despise \$15 and \$25 sales. You've all heard of Tiffany's in New York. When Tiffany died he left \$1,000,000. You have all heard of Woolworth's. When Woolworth died he left \$80,000,000 or so."

Makes Man a Client

"The significance of this is that, no matter what the size of the accident and health policy may be which you have sold a man, you have made him a client. You have gained all the necessary information about him and his insurance status, and as a result he becomes the liveliest kind of prospect for life insurance or other forms of casualty insurance. Perhaps you have reached a point where he isn't just a client—I'm Art and he's Bill—and that means a lot to all of us in the insurance business."

Speaking on "Progressive Prospecting—Painless Presentations," Mr. Holtzman told from the experience of his own agency how proper prospecting methods increase the ease of presentation of accident and health insurance. He said that at the first of this year his agents agreed that instead of bonuses, prizes, etc., they would rather have him spend the money on extra help and extra circularization toward increasing prospect lists, to help them get the business which means extra dollars.

Nine Methods Listed

Nine prospecting methods from which the agency had experienced its major returns were listed and each agent was to specialize on the type of prospecting which applied best to his particular qualifications. They were:

(1) Whom do you know? Twelve sheets, each large enough to contain 20 names, are prepared, listing people the agent knows in different groups, such as clubs, associations, church ac-

tivities, tradesmen, school affiliations, etc.

(2) Classification of risks by occupations—listing present policyholders by occupation and specializing in those where the producer feels more qualified to talk to the prospect about "his business."

(3) Secure references at time of interview. On the back of the application is a space marked "References" and beneath it the notation: "To facilitate the issuance of this policy, please list two personal friends as references." The agent should impress upon the applicant the importance of qualifying not only from a physical standpoint but from a moral and financial aspect as well. "If your application blanks do not have these reference forms on the back," Mr. Holtzman said, "you can have them drawn up in the form of a sticker to be attached to the back of the application."

(4) Twenty-five centers of influence—putting each name on a separate sheet and listing under it the prospects from that source.

Business from Policyholders

(5) Present policyholders. A return postcard now is mailed with the premium receipt each month, offering a leather billfold if policyholders will list two names on the reverse side of the card. The billfold is not mailed to the policyholder, but to the agent who delivers it personally. This can may produce new business either on the policyholder or other members of his family and also represents a chance to qualify the two prospects and secure information about them.

(6) Direct mail. Mr. Holtzman has several form letters to be mailed in large quantities to names appearing in directories and other lists, with a return postcard for information enclosed. He gave the text of one with which a pencil is enclosed, starting: "Please accept this pencil. We invite you to use it first to put your name and address on the enclosed card, after which please mail the card to me," and then following up with a sales talk on accident and health insurance.

(7) Claims paid. He emphasized the importance of having claim drafts sent directly to the agent for delivery.

(8) Lapsed policyholders. New motivating material is sent to all lapsed policyholders throughout the year.

(9) Daily contacts. Definite plans were urged for meeting one new person

More Stuff to Burn When Business Is Booming

"There's more stuff to burn when business is booming; more raw materials on hand; more finished goods on the shelves. When plants are working two or three shifts, on the law of averages, you've got twice or three times as much chance for a fire. And, unfortunately, when people are busy making money and piling up back orders, they forget about logical precautions."—P. W. Kearney in "A. D. T. Transmitter."

every day, making a note of that individual and the things the agent knows about him.

He urged an accurate check of returns on any prospecting system. "If one system is unprofitable in your territory," he advised, "discard it—quickly."

Qualification of the prospect, he said, is an essential procedure. He must meet certain fundamental requirements. "Secure this information before the contact," he urged. "It will simplify your presentation by 75 percent, particularly if your discussion is based on his problems, his job, his family, his requirements. If you have done a good job of progressive prospecting, you will have painless presentations."

Mr. Holtzman compared the development of an organized presentation, which he regarded as very essential, with the process of learning to drive a car, where as a result of practice everything is done without any conscious effort. A mental picture of the results to be achieved is necessary for the agent and it is still more necessary to build the picture in the mind of the prospect in simple, effective language in a form which will be motivating. He advocated an illustrated presentation and offered several examples of presentations that he regards as especially effective.

"In buying a suit of clothes, it must be altered to fit you. It is made by several people according to a standard model. There are standard measurements, but not every one conforms. So there are standard measurements in selling. We can't all conform, but we can adopt that which is good, to fit our case—our own personality."

New Schedule Liability Circulars

Standard Accident has mailed to agents a merchandising circular describing its new schedule liability policies and advising of the advertising material available.

The folder features the announcement of the three new schedule liability policies—personal, manufacturers' or contractors; and the O. L. & T. The faces of the policies are illustrated on the cover of the mailing piece. A sub-heading says, "A new program of simplification for a time-proved protection to help you make the most of your opportunities in 1941."

On the inside, the opportunities afforded by each individual policy are detailed, and there is an explanation of how these modern liability policies simplify the selling job.

One circular advertises the personal schedule liability and is made to look like the back of an envelope. Written in script across this is the word "Personal." Another circular has the heading "Liability Protection Tailored to Your Needs" and shows a scissors, measure, and piece of fabric being cut to fit or "made-to-measure."

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Missouri to Go Into Fire Rate Case Thoroughly

The state will go thoroughly into the Missouri fire rate case settlement in the trials of T. J. Pendergast and R. E. O'Malley on bribe charges.

Members of the grand jury which in-

dicted Pendergast, have declined to testify in a hearing on a motion attacking the indictment. Judge Ridge has disqualified himself to hear charges against Pendergast and R. E. O'Malley, former superintendent, since he represented O'Malley three years in the litigation. Judge Ridge had just received the case from Judge Southern after de-

fense attorneys had objected to Southern as biased. The case went to Judge Cowan.

Witnesses being called by Roy Rucker, special assistant attorney general, for the trial include Guy B. Park, former governor; Robert J. Folonise, Chicago attorney; W. T. Ragland and Homer Berger, company attorneys in

the case; John T. Barker, G. C. Weatherby and Floyd Jacobs, state attorneys; Powell McHaney, former department attorney; Ray B. Lucas, present superintendent, and William T. Kemper, Jr., custodian of impounded fund.

Increase your sales during Accident & Health Week, March 24-29.

INSURANCE NEWS BY SECTIONS

MIDDLE WESTERN STATES

Educational Talks Given at Pontiac Regional Rally

PONTIAC, MICH.—Scores of agents from Pontiac and the northern suburbs of Detroit attended a meeting held jointly by the Michigan Association of Insurance Agents and the Michigan Business Development committee, with Chairman L. I. McKay, Northern Assurance, presiding.

E. O. Warren, Indemnity of North America, discussed fidelity sales. Fidelity cover is hard to sell, he said, "because you don't see people steal and you seldom hear about embezzlement because companies suppress this information in the belief that it will hurt their business to disclose it." Fidelity cover does more than indemnify the company against loss; it also prevents impaired credit which often results from embezzlement. While 80 percent of the possible fire business is written, probably not more than 10 percent of the potential is touched in fidelity.

He outlined the advantages and disadvantages of the various types of bonds.

Knaak Discusses U. & O.

A. N. Knaak, Connecticut Fire, discussed U. & O., which he termed the "life insurance" of business insurance. He predicted a 20 percent increase in rates shortly and urged agents to have their assured take three-year rather than one-year policies. He declared that machinery prices are going up because of the difficulty of replacement under defense conditions and consequently higher boiler and machinery cover is indicated. This type of insurance is not a one-call proposition, but usually from three to four calls are necessary before the prospect is either sold or eliminated. He called attention to the market for contingent U. & O., a little-known form to most agents, which is designed to protect one person who is dependent on another's business being continued.

W. O. Gamble, Zurich, talked on comprehensive liability, declaring he knows of a moderate sized agency in a small city which has recently written \$80,000 of such cover by including the "gadgets." Too many agents fail to offer all of the various kinds of insurance a prospect should have, he said.

Sees New Qualification Law.

Morris Thatcher, Pontiac agent, president of the Pontiac association, told of the state association's educational work and said that the Michigan association plans to sponsor a new qualification law that will require the applicant to answer 200 instead of the present 50 questions. The number of men who apply for licenses has been reduced from 85 per month to about 35 since the present law went into effect, he said. The law has discouraged many part-timers from attempting to secure a license and about half of those who take the examination fail.

Detroit Committees Named

DETROIT—Standing committees of the Detroit Association of Insurance Agents, in addition to the membership committee, announced recently, were named this week by President E. S. Karrer. Vice-president F. C. Esper, Rohde agency, heads both the grievance and the accident prevention committees. Henry Peacock, Kelly-Halla-Peacock, past president, heads the fire and U. & O. committee; D. T. Marantette, Detroit Insurance Agency, immediate past president, rules; C. G. Waldo, Bosquett & Co., finance committee; B. A. Carse, A. H. Sibley agency, legislative, and G. W. Carter, Detroit Insurance Agency, again heads the conference committee.

Parsons Named President of Brooks & Stafford

CLEVELAND—The Brooks & Stafford Co., one of Cleveland's oldest and largest agencies, made several shifts in its official slate at the annual meeting. The changes were due in part to the fact that the agency lost five officers by death within 13 months.

C. H. Parsons, former first vice-president, was named president, succeeding the late A. H. Bedell. He has been with the agency and its predecessors more than 50 years. L. B. Mead, former vice-president was made first vice-president; H. S. Parsons, former assistant vice-president, vice-president; E. F. Stafford, former assistant secretary, assistant vice-president; T. P. Pratt, manager bond department, assistant vice-president, and E. B. Kunze, assistant secretary. The vacancy in the post of chairman of the board caused by the death of Wilbur H. Brooks has not been filled.

Executives of the agency who died, in addition to Messrs. Bedell and Brooks, were T. C. Goss and G. C. Simpson, vice-presidents, and R. A. McDonald, secretary.

The Brooks & Stafford Co., with its predecessor organizations, is 90 years old, and is known as Cleveland's oldest insurance office. It has represented several companies for more than 50 years, including the Boston, Continental, Great American, Hanover, Hartford, London & Lancashire, Merchants, North British, New York Underwriters, Queen and Sun.

Rockford Day Gets Big Crowd Despite Cold

In spite of bitter cold, attendance at the annual Rockford, Ill., Insurance Day was 150. Roy L. Davis, assistant secretary Casualty & Surety Executives Association, Chicago, started off the program at 3 p. m. with his discussion of "Is Compulsory Automobile Insurance Necessary?" Boyce W. Rouse, assistant manager casualty department Travelers, Chicago, discussed the new comprehensive automobile liability policy, and A. N. Graves, agency assistant Travelers, Hartford, talked on comprehensive general liability.

Following the good fellowship hour, at which the Rockford Board was host, William H. Jennings, Rockford agent and board chairman of the Illinois association, acted as toastmaster at the annual dinner. A. L. Sparks, president of the Rockford board, presided at the sessions. Following the dinner, Harold Greenberg, executive general adjuster Western Adjustment, Chicago, showed motion pictures of Chicago grain elevator fire.

Quite a few attended from Chicago, including W. Herbert Stewart of Stewart, Keator, Kessberger & Lederer; J. Lewis Cassell, state agent London Assurance, and Jack Wall, field assistant Travelers.

Highland Center Loss Extensive

ST. PAUL—Adjusters are still at work on the Highland shopping center fire of Feb. 20 that caused a loss of more than \$100,000. It was one of the most disastrous fires in recent years in St. Paul and half a dozen firms were affected.

The insurance schedule includes: American of Newark, \$86,000 on the main building and \$11,000 on adjoining buildings; Fidelity-Phenix, \$20,000 on National Tea store contents and fixtures; General of Seattle, \$10,000 blanket coverage on Highland Drug Center and \$22,000 on Connell restaurant which

had not yet opened for business; \$2,500 on Highland delicatessen; American Druggists, \$5,000 on Highland Drug Center; Pearl, Highland Cleaners & Shoe Rebuilders, \$1,250; Federal Hardware, \$2,500 on Highland Delicatessen. Austin Mutual of Minnesota was on the Fabian Dress shop loss which was a bad one. Much of the damage to the various shops was smoke and water. The building, one story, was erected only 18 months ago.

Berry Postpones Hearing on Detroit Fire Rates

LANSING, MICH.—Commissioner Berry has indefinitely postponed the meeting of the state anti-discrimination commission which was to have been held Feb. 25 to consider Detroit fire rates. City officials asked a hearing in an effort to gain a reduction in residential and possibly small mercantile rates.

The commissioner pointed out that fire company reports on 1940 business are now coming in rapidly and within a few weeks department officials will be able to obtain an approximation of the loss experience for the year. To conduct a hearing without knowledge of the most recent experience in the state would be unwise and might result in complications later, Mr. Berry said.

Senator Hammond, chairman senate insurance committee, is conducting an investigation of the Detroit rate situation and said some data is being accumulated. The committee, it is believed, has been holding back awaiting the anti-discrimination commission hearing.

Hodson Describes New Policies at Peoria Meeting

R. D. Hodson, Chicago, agency supervisor Aetna Casualty, discussed the comprehensive liability policies at a special meeting of the Peoria Association of Insurance Agents Wednesday. The meeting was called only a week after the regular meeting, because of the interest of members in the new contracts. Mr. Hodson gave a number of examples of the application of the policies and premium determination.

Hold Farm Bureau Roundup

Illinois Agricultural Mutual and Farmers Mutual Reinsurance are holding their 1941 farm bureau insurance roundup Feb. 27-28 in Peoria. The following are included to participate on the program: A. E. Richardson, manager of Illinois Agricultural Mutual, "Who is Through?" L. V. Drake, claims superintendent of Illinois Agricultural Mutual, "It's All in the Family;" J. H. Kelker, manager of Farmers Mutual Reinsurance, "Persistence Gets Results;" V. Anderson, inspector for Farmers Mutual Reinsurance, "Burnt Up and Thrown Away;" C. M. Seagraves, director of safety of the Illinois Agricultural Association, "Who Pays?" Ed Erickson, special agent for Farmers Mutual Reinsurance in Morgan county, "A Plan That Works;" T. H. Brock, president the Farm Advisors Association of Illinois, "Unit," and E. C. Smith, president Illinois Agricultural Association.

Announce Wisconsin School Plans

MADISON, WIS.—The annual insurance school of the Wisconsin Association of Insurance Agents here March 25-26 will be open to employees of members and diplomas will be awarded to all who successfully complete the two-day course. The breakfast session will have a question feature in which the expert-stumpers will receive \$1 per question asked. Students at the University of Wisconsin who are taking insurance subjects at the school of commerce will be invited to attend the insurance school. Four of the subjects decided upon are

compensation liability policy, aviation insurance, comprehensive automobile insurance, and strike, riot, civil commotion and sabotage insurance. Well known experts in each line will present the subject and handle the class.

President Grover Miller, Racine, has announced additional committee appointments. Chairmen are W. J. Tucker, Beloit, legislative; August Lutze, Sheboygan, membership; L. C. Hilgemann, Milwaukee, league of municipalities; William Koch, Milwaukee, auditing; Leonard Umbreit, rural agents, and C. F. Gerhardt, fire prevention.

Secretary Robert Ebert and J. G. Grundle, Milwaukee, are making a number of trips into Wisconsin to aid in organizations of local boards and county units. Agents are active in forming a unit in Grant county.

Minn. Regional Groups Meet

MINNEAPOLIS—Agents in the smaller towns of Minnesota, like those in the Twin Cities, are showing an increasing interest in U. & O. It was the principal topic of discussion at the February meeting here of the Central Minnesota Regional Agents Association. S. W. DeWard, National Liberty, led the discussion. The plan of the North America to go on a participating basis also came in for discussion, led by D. Roell.

At the February meeting of the Southwestern Minnesota Regional at Slayton, A. C. Fellows of Minneapolis Lloyd's talked on major changes in automobile coverage.

James E. Sheean, Hartford Fire, spoke at the February meeting of the West Central Regional at Montevideo on "Extra Expense Coverage" and H. L. Henry, Hartford Accident, discussed casualty coverage.

At Springfield, where the New Ulm regional met, Carl Johnson, U. S. Fire, talked on extended coverage and L. A. McIntyre, Springfield Fire & Marine, discussed "Contents Form No. 34." This association elected Adolph Meile, New Ulm, chairman, and Theodore Furth, New Ulm, secretary-treasurer.

Form New Kansas Group

INDEPENDENCE, KAN.—Agents of Montgomery, Chautauqua and Wilson counties formed a permanent organization as Unit 4 of Zone 2 in a reorganization of the Kansas Business Development setup at a meeting here. S. W. Squires, Cherryvale, is chairman; Duncan Suttle, Fredonia, vice-chairman, and Harold Hall, Independence, secretary. Monthly meetings are scheduled. Commissioner Hobbs will speak at the March meeting.

Heavy Loss in Louisiana, Mo.

Three buildings were destroyed by fire in Louisiana, Mo., with an estimated loss of \$100,000. The factory of the Sel-More Garment Company, headquarters St. Louis, was destroyed with equipment and stock. The building belonged to the Chamber of Commerce. Both these risks were partly insured. The other buildings destroyed were the F. C. Haley mortuary, and the C. B. Buffum building housing the Wells Lamont Smith Corporation, manufacturers of gloves. The latter company lost heavily on materials and finished stock.

Clinton, Ia., Seeks Rate Reduction

CLINTON, IA.—Seeking lower fire rates for Clinton, Mayor Pape has ordered a check-up to determine whether or not the city is entitled to a rate reduction because of new fire fighting equipment which has been added.

Patton Reports on Legislation

HUTCHINSON, KAN.—The Hutchinson Association of Insurance Agents heard reports on insurance legislative matters from Secretary Wade Patton of

the Kansas association, who has spent considerable time in Topeka with the association's legislative committee headed by Harry Tinklepaugh of Kansas City. A discussion of the new Kansas rule book changes effective Feb. 10 was led by E. B. Fergus, Kansas Inspection Bureau, Wichita.

"Duke" Potter in St. Louis

ST. LOUIS—Wellington Potter of Rochester, N. Y., is discussing "Stock Insurance to the Front" at a meeting of the Associated Fire Insurance Agents & Brokers of St. Louis, Thursday evening. Superintendent Lucas also is expected to attend.

Ackerman Minn. Banquet Speaker

ST. PAUL—In addition to an address at the mid-year meeting of the Minnesota Association of Insurance Agents on the importance of aviation insurance to the local agent by E. L. Stephenson, Chicago manager Associated Aviation Underwriters, Prof. J. D. Ackerman of the University of Minnesota, widely recognized as an authority on aeronautics, will be the banquet speaker. The banquet is sponsored by the Insurance Exchange of St. Paul.

Women's Party Sets Record

DETROIT—The annual card party of the Detroit Insurance Women's League drew 750 men and women, possibly the largest attendance for any insurance gathering in Michigan. Scores had to be turned away for lack of accommodations.

Agents and field men donated 110 valuable prizes. Agnes Krick, Michigan Audit Bureau, program chairman, was general chairman for the party.

Status of Incorporated Agencies

COLUMBUS—A recent opinion by the attorney-general of Ohio on licensing corporations as insurance agencies has brought a flood of inquiries to the Ohio department. It says the opinion does not change the practice which has obtained for many years, that every active person connected with such an agency must be licensed for each company represented by the agency corporation.

Roy Davis Grand Rapids Speaker

Roy L. Davis of Chicago, western representative of the Association of Casualty & Surety Executives, will address the meeting of the local board at Grand Rapids, Mich., Monday evening on "Present Day Selling Methods."

Michigan 1752 Club Elects

LANSING, MICH.—Merle Waugaman, Central Manufacturers Mutual, has been named president of the 1752 Club of Michigan; M. M. Henderson, Lansing, Shelby Mutual Plate Glass, vice-president, and J. M. Allen, Lansing, Guarantee Mutual Fire, Springfield, O., secretary-treasurer. W. A. Blanchard, Detroit, Pawtucket Mutual Fire, was chosen to the executive committee.

NEWS BRIEFS

The Ohio department has been authorized to liquidate the General Mutual of Marion, O. Claims totaling \$4,728 have been filed. Assets are \$150.

Herman C. Miller, head of the Miller agency, Waterloo, Ia., was elected president of the Waterloo chamber of commerce.

E. A. Baldwin, for 15 years with the Underwriters Adjusting, is opening an independent adjusting office at 502 Stewart building, Lincoln, Neb.

The South Dakota senate confirmed Governor Bushfield's appointment of A. B. Blake, Huron local agent, as secretary of finance and director of purchasing and printing for a four-year term.

The new officers of the Mutual Field Club of Ohio, headed by President C. O. Garver, were installed.

Insurance Women of Akron, O., gave

a "Bosses Night Dinner" for members and their employers. T. A. Fleming, director of conservation National Board, was principal speaker. A one-act play written by Miss Jane Hoffmeyer was presented.

A preliminary meeting to discuss organization of an insurance women's organization at Kansas City will be held March 3 under leadership of Miss Louise Price, executive secretary of the Insurance Agents Association.

David Larson, Home, will discuss use and occupancy and extra expense insurance at the dinner meeting of the Insurance Women of Milwaukee March 3. He will also touch on the service which companies are making available to local agents. The annual benefit card party and style show will be held March 13.

H. V. Wheeler, president Wheeler-Kelly-Hagney Trust Co., Wichita, underwent a minor operation at Wichita Hospital.

John Novotny has purchased the Wilkinson agency at Iowa City, formerly operated by B. R. and E. J. Wilkinson.

Rhodes-Seltsam Company, investment banking firm, Topeka, has bought the A. A. Rodgers Investment Company agency. The new owners, Theodore Rhodes and D. A. Seltsam, have moved their offices to 110 West 6th avenue, location of the Rodgers firm.

Richard Tubbs, of Bryan, O., who has been writing life insurance exclusively, has opened a general insurance agency.

COAST

Kelly Retires as Yorkshire Manager

SAN FRANCISCO—Wallace Kelly, Pacific department manager for the Yorkshire, Seaboard Fire & Marine and London & Provincial, retires from active business Feb. 28. He will be succeeded by F. L. Tindell, who has been assistant manager since the department was established in 1928. Prior to that time the Yorkshire had been managed by the late McClure Kelly, brother of Wallace Kelly. Mr. Tindell had been with McClure Kelly, who was also coast manager of the North America for several years. When the Seaboard and Yorkshire decided to set up a separate department, Mr. Tindell was employed and started the proceedings. Wallace Kelly arrived shortly thereafter from New York, where he had been branch secretary of the United States department of the Yorkshire for several years.

Mr. Kelly comes from an old insurance family. His father, the late Walter Kelly of Hopkinsville, Ky., operated the local agency which still bears his name in that city and which is now managed by Miss Emily Kelly, a sister.

A. A. Knoepfle, branch secretary of the Yorkshire, who has been in California for several weeks, will return to New York headquarters within the next two weeks. He will remain long enough to see Mr. Tindell installed as manager.

Kill Mont. State Fund Bill; Countersignature Measure Moves Toward Passage

The bill for a self insurance fund for state owned properties in Montana has now been killed. The measure was the subject of two violent and lengthy debates in the house, after the bill had been recommended for passage by the committee of the whole despite the fact that only three members of the house insurance committee had signed the report that the bill do pass.

Ory J. Armstrong of Kalispell, who is Montana general agent for Northwestern Mutual Fire of Seattle, supported by Frank Hazelbaker of Missoula, a local agent and vice-chairman of the house insurance committee, led

the fight on the floor to defeat the proposal.

The legislative committee of the Montana State Association of Insurance Agents conducted a strong fight against the bill.

A statement was circulated pointing out the unsoundness of setting up a state fund of \$100,000 as a substitute for sound insurance, for the protection of all state property having an estimated value of more than \$13,000,000.

The statement pointed out that by a majority of 17,178 in a referendum measure in 1936, the Montana voters rejected the state insurance fund law. "Is it fair," the bulletin asked, "to again attempt to saddle taxpayers with the unnecessary cost of an illusion which has already been tried and found sadly lacking?"

According to the agents' bulletin, experiments in state public property insurance have been tried, found expensive and for the most part have been abandoned. This is the record of the last 38 years, made by 16 states. Only one state has set up a state operated fire insurance fund during the last 13 years. The experience of Colorado and Oregon is cited particularly.

The other capital measure in which the agents are interested, the revision of the agent's countersignature law has so far progressed satisfactorily. It passed the senate without a dissenting vote and the house insurance committee recommended concurrence. At a public hearing more than 30 agents from all parts of the state appeared in support of the bill. There were a few agents from Butte and Anaconda who expressed opposition. Under the present statute the resident countersigning agent must retain the entire commission on Montana business produced by non-resident brokers. Under the new measure the non-resident would be required to retain only 5 percent of the premium.

A bill that is supported by the insurance department and the Montana State Association of Insurance Agents to make the solicitor an employee of the agency with but one solicitor's license for all classes of companies for which insurance is to be solicited, has been recommended for passage by the house insurance committee.

A bill sponsored by the insurance department to clarify the statute providing for a tax levy for maintenance of the state fire marshal has passed the house.

A bill to increase the premium tax on insurers to 4 percent has been killed.

Announce Women's Parley Plans

PORTLAND, ORE.—Plans for the annual Northwest Conference of Insurance Women here April 26-27 were announced by Miss Margaret Osborn, Campbell, Smith & Co., at the Portland organization's annual "Bosses' Night." Delegates will attend from Seattle, Tacoma and Spokane. A banquet is scheduled for the first evening with Mildred Swanson, Harvey Wells-Reed Agency, as toastmaster. Mrs. Doris Smith will be guest speaker. There will be a luncheon and business meeting Sunday afternoon.

W. A. Dunham, Swett & Crawford, who is the "boss" of Miss Margaret McCary, club president, introduced her, following which Commissioner Thompson paid tribute to the secretaries and office workers who carry on behind the scenes.

All the insurance women introduced their "bosses" early in the program, each boss presenting reports for his employee. E. W. Eggen, Ireland-Guild office, Portland's Junior First Citizen for 1941, spoke on "What Americanism Means to Portlanders."

Oakland Quiz Program

OAKLAND, CAL.—The East Bay Insurance Exchange held its first "information please" program on the comprehensive liability policy and decided it was more productive of real results than straight speeches.

A board of experts, consisting of I. S. Rankin, Oakland broker and director of

insurance education in the Merritt Evening Business School; C. M. Trefts, assistant general agent Pacific Indemnity, and F. J. Zinns, Oakland manager Aetna Casualty, answered questions propounded by C. M. Putnam of Putnam & Weaver, interlocutor. He asked 15 questions forwarded in advance. Following these, the meeting was thrown open for questions from the floor. Interest was high. Neal Harris, president of the association, said the group, numbering more than 100, apparently was willing to stay several hours more to participate in the discussions, questions and explanations.

Confer on Oregon Legislation

PORTLAND, ORE.—Legislation was discussed at a special meeting of the Oregon Association of Insurance Agents' executive committee here. Leslie Wadsworth, Salem, legislative committee, chairman, reported. The Oregon association is proposing a change in the financial responsibility law, seeking to enact the so-called New Hampshire law, requiring both parties to an automobile accident in which there is personal injury or property damage in excess of \$25 to show proof of financial responsibility.

The meeting was called by Chairman Harry Hollister, Portland, to discuss other association matters as well. President Mark A. Goldy, Medford, and G. W. Haerle, Portland, National association executive committeeman, were present.

Defer Portland Annual Meeting

PORTLAND, ORE.—The annual meeting of the Insurance Exchange of Portland has been postponed from Feb. 17 to March 10. President Charles A. Mansfield pointed out that many of the members are now busily engaged with legislative matters.

Mr. Mansfield called a meeting of trustees this week. There is a proposal to change the name of the organization to Portland Association of Insurance Agents, in keeping with the recommendation of the National Association of Insurance Agents to standardize affiliated units' titles.

New Board at Astoria

A new local association has been formed at Astoria, Ore., as a result of an evening meeting held recently at which officers of the state association spoke. Ed Fearey is president of the new local board; C. C. Pauling, vice-president; Miss L. A. Becken, secretary. It is expected that the association will become affiliated in the near future with the Oregon association and the National Association.

Forum Discusses Adjustments

SAN FRANCISCO—An interesting discussion on adjustment of losses was conducted before the Fire Underwriters Forum of San Francisco, following an address on the subject by K. W. Withers, Fire Companies Adjustment Bureau. W. L. Lindecker, chief underwriter Automobile of Hartford, was chairman.

Adjuster Salt Lake Speaker

SALT LAKE CITY—Francis Bromley, adjuster of the Nichols Adjustment Bureau here, spoke at the February meeting of the Salt Lake Fire & Casualty Insurers Association on "Relationship of the Assured to the Agent and Adjuster."

NEWS BRIEFS

D. G. Kenning, formerly manager for Chapman & Co. in Los Angeles, has joined the Balfour, Guthrie & Co., general agency of San Francisco, as supervisor of southern California with headquarters in Los Angeles. He has been in the business a good many years and has seen service with Niagara Fire, the America Fire group and the British Columbia board.

Miss Esther Brown of the Weatherly Insurance Agency, a past officer of the

Insurance Women's Association of Portland, captured the "Oregonian" women's handicap bowling championship for 1941.

Ed Hogg, special agent of United Pacific in Seattle, has transferred to the United General Agency there and is serving as special agent for fire and marine lines. He is succeeded by William Yerkes from the home office underwriting department.

The first regular business session of the newly organized Tucson Association

of Insurance Women was held with five new members being added to the membership, bringing the total to 25. Plans are being made to hold a "Bosses' Night" for the purpose of acquainting insurance men connected with the agencies represented by the membership in the women's group with the association's objectives.

The Charles W. Pearson agency, Tucson, Ariz., which began business 14 years ago, has been sold to the Arizona Trust Company. Mr. Pearson is moving to California but has not announced his plans for the future.

The new constitution retains the co-extensive feature, which calls for state and national membership as well as local. W. H. Bennett, general counsel National Association of Insurance Agents, addressed the exchange. He was accompanied by R. T. Cawthon, secretary Tennessee Association of Insurance Agents.

Take Measures to Reform Hail Writing in S. C.

Resolutions were aimed at improving the conditions surrounding the writing of hail insurance at a meeting held recently at Florence, S. C., which was attended by agents from the Pee Dee section and by officials of the Southeastern Hail Conference and representatives of hail writing companies.

The company representatives agreed to discontinue appointing seasonal agents for writing hail insurance, whether operating individually as solicitors or as sub-agents.

The local agents agreed that they will not divide commissions on hail business with any unlicensed person and that they will not appoint, employ or hire anyone outside of their own particular office force to write or aid in writing hail business.

It is understood that any agent who applies for a license as a solicitor will guarantee to the companies that the solicitor is to be a year around man and not simply a hail solicitor.

At that meeting Pat Murphy, investigator for the insurance department, stated that the department will prosecute any unlicensed solicitors. Under another resolution, it was agreed that all agents will insert the notation that hail notes will bear interest at 6 percent.

The agents requested the cooperation of the companies in handling of hail business in South Carolina by North Carolina agents, particularly in the border counties. The agents requested that the companies see that any such business is properly countersigned and that South Carolina agents receive the proper commission.

Hold Tennessee School June 3-5

NASHVILLE, TENN.—R. T. Cawthon, secretary, announces that an agents' school, jointly sponsored by the Tennessee Association of Insurance Agents and the extension division of the University of Tennessee, will be held at the university, Knoxville, June 3-5, with L. P. McCord of Jacksonville, Fla., as dean. Courses scheduled include fire, casualty, marine, accident and health, with sections on farm business, salesmanship and office systems. All stock insurance agents, field men and office employees are eligible. W. S. Keese, Jr., Chattanooga, has charge of the selection of instructors.

President W. M. Harris, Johnson City, has set March 3 for the quarterly meeting of the executive committee of the state association.

Tennessee Association Growing

NASHVILLE, TENN.—"I believe we are definitely over the hump and are on our way toward building one of the best state associations in the country," R. T. Cawthon, for the past eight months secretary of the Tennessee Association of Insurance Agents, said in addressing the Nashville Insurance Exchange. Membership of the association is now 345, the largest in its history.

Harry Melville Talks in S. C.

Harry Melville, inland marine manager of American, addressed a gathering of agents at Rock Hill, S. C., sponsored by the South Carolina Association of Insurance Agents. There was also a talk on the new comprehensive liability policy.

Woolford Talks to Credit Men

DALLAS—C. A. Woolford, Jr., assistant manager here of Hartford Fire, spoke to the Dallas Wholesale Credit

Men's Association on "Credits and Insurance." The credit managers decided to appoint a committee to confer with Dun & Bradstreet to work out a plan of supplying full information regarding insurance carried by firms and individuals reported upon.

Springfield Exchange Elects

SPRINGFIELD, TENN.—The Springfield Insurance Exchange at its February meeting reelected Phillip Wilcox as president. J. T. Holman, Jr., is succeeded as secretary-treasurer by Wesley Cook. The present directors were continued.

New Southern Mutual Officials

Blanton Fortson, for 20 years circuit court judge, has been named president-treasurer of the Southern Mutual of Athens, Ga., to succeed A. E. Griffith, who was elected to the new post of board chairman. E. E. Lamkin has been chosen secretary to succeed the late A. C. Irwin.

Study Fire Fighting Facilities

RICHMOND, VA.—A complete survey of available fire-fighting facilities in Virginia which might be pooled for use in event of emergencies is being made by the state fire protective mobilization committee, headed by F. H. Wheeler, mayor of Clifton Forge.

EAST

Middle Department Rates to Be Cut

PHILADELPHIA—Much interest is being shown in the probable end result of application of the recently adopted mercantile schedule of the Middle Department Rating Association. It is to be applied to all mercantile buildings and contents throughout the entire jurisdiction except Philadelphia and Philadelphia suburban. It was designed to produce an over all decrease from present rates but the exact result can not yet be foreseen. It is likely that some few risks will receive a rate increase, but the large majority will enjoy a reduction.

Application of the schedule, the preparation of which had been in progress for a long time, will be hampered in so far as Pennsylvania risks are concerned at least, because the inspectors are devoting much time to surveying plants engaged in manufacturing defense supplies.

The intention is to start the revision in Erie county, the most northerly part of the territory, and gradually extend it to other sections.

The need for revising mercantile rates has been recognized for some time, and when the decision to do so was reached, the schedule previously in use was recast and the various elements were simplified. Inspectors will make complete surveys of the physical hazards and exposures, and the rates will be calculated by the rating experts at the divisional offices.

Mutuals Start Drive for Non-Assessable Policies

CONCORD, N. H.—The campaign of the Mutual Fire Insurance Association of New England to give agency mutual fire companies with a surplus of \$100,000 or more, the right to issue non-assessable fire policies in New Hampshire and Vermont, was opened before the insurance committee of the New Hampshire legislature.

H. A. Knapp, president Norfolk & Dedham Mutual and head of the association, said New Hampshire and Massachusetts are the only two states which insist on the assessment feature in mutual fire policies. R. C. Baker, executive vice-president declared that mu-

IN THE SOUTHERN STATES

Texas Attorney-General May Take Independent Action Against Insurer

The Texas court of civil appeals at Beaumont has held that the lower court erroneously dismissed a suit brought by the attorney general to cancel the charter that was issued to Teachers Annuity Life of Texas. The judgment of the lower court was reversed and the cause was remanded.

The action was instituted by the attorney general against the officers, directors and stockholders and against Teachers Annuity Life itself. The attorney general claimed that the capital stock of \$100,000 upon which the charter was secured was purportedly paid for by transferring to the corporation an equity in a lot and building in San Antonio and that this was not a permissible transaction. The question was whether the attorney general had the right to bring the suit without the consent of the board of insurance commissioners. The higher court held that the special legislation passed with respect to insurance companies does not limit this power of the attorney general and that he may seek the cancellation of the charter of such a company without any joint action or consent of the insurance commissioner.

Nearly \$4,000,000 Insurance on New Mobile Tunnel

MOBILE, ALA.—The city of Mobile has placed \$3,991,000 insurance on the Bankhead Tunnel under Mobile river, just opened.

The policies were placed with Thames & Batre, W. K. P. Wilson & Sons and Norville Brothers. They were instructed to redistribute the business among all agencies in Mobile which can write tunnel insurance.

The policies include: All-risk insurance, \$3,060,000; use and occupancy on the tunnel, with a seven-day deductible clause; contingent use and occupancy insurance on the Cochrane causeway, \$265,000, with 30-day deductible clause. This is to apply from the eastern end of the tunnel to the western terminus of the causeway.

There is also public liability with \$50,000/\$300,000 limits; property damage with \$50,000 limit; safe burglary and interior robbery, \$6,000 each. The city will contract with the Armored Car Service for transportation of funds from the safe in the tunnel toll booth to banks.

Hold S. C. Convention June 12-13

COLUMBIA, S. C.—The executive committee of the South Carolina Association of Insurance Agents has set June 12-13 as the dates for the annual association convention at Greenville. The committee, at a meeting here with President James M. Richardson, presiding, also decided to sponsor another insurance short course this summer.

Local committee chairmen for the Greenville convention are: J. E. Hart, general chairman; Broadus Bailey, co-chairman; James Gilfillin, arrangements; J. S. Taylor, registration; J. H. Woodside, entertainment; A. G. Furman, distinguished guests; Eugene Willimon, transportation.

Important Topics Before Southern Agents' Meeting in Atlanta March 5

BIRMINGHAM, ALA.—Several provocative matters are expected to come up for discussion at the semi-annual meeting of the Southern Agents Conference at the Piedmont Hotel, Atlanta, March 5. Ed H. Moore of Birmingham, chairman, said the meeting usually is held in connection with the mid-winter meeting of the National Association of Insurance Agents but it was not believed many southern agents could attend the convention this year in Oakland, on account of the distance.

Subjects which may come before the Atlanta meeting include the application of the wage and hour law to local agents, the growing competition from the five-year plan of fire coverage being offered by the General of Seattle, Pearl and other companies and the recent move of one of the larger companies to offer a participating policy.

The plan of the Commodity Credit Corporation to let new contracts for the storage of government cotton, possibly involving the removal of much of the staple from interior to port warehouses, also is likely to come up. Storage rates in the port warehouses involve the loss of much insurance to local agents scattered throughout the cotton belt where the cotton is now stored.

Adopt Suburban Fire Call Plan

KNOXVILLE, TENN.—A \$300 fee for fire department service to suburban points within five miles of the corporation line may be guaranteed by fire insurance policies, surety bond, insurance certificate or cash bond deposited with the city fire department, according to the terms of ordinance effective March 1. All security for the \$300 fee must be for period of not less than one year and each firehall will keep a card file on home owners within their area who have filed the necessary guaranty. A previous arrangement guaranteed fire department service to suburban owners who deposited a \$25 insurance policy with the fire department and these will be given 60 days to secure the necessary increase in coverage. The Knoxville Exchange has helped the city work out this plan and most of the new business will be written by stock company agents.

Start Ga. School at Augusta

AUGUSTA, GA.—The insurance school which the Georgia Association of Insurance Agents will conduct will start March 11, with Augusta the first stop on the circuit. Agents and their employees in this section will meet each Tuesday night for 9 weeks to receive the lectures provided by the Georgia Association. Scott Nixon, president of the Augusta Board, and A. B. Cohen will be in charge of the classes.

Memphis Exchange Elects

MEMPHIS, TENN.—The Memphis Insurance Exchange has reorganized, elected officers and unanimously adopted a new constitution and by-laws of the non-restrictive type. Will Johnson, D. A. Fisher & Co., was elected president; J. F. Dickinson, vice-president, and J. T. Welford, secretary-treasurer.

tuals of the two states are handicapped in meeting the competition of outside mutuals because of the assessment clause. Only 25 percent of the Mutual Association companies' business is now done outside New England, he said.

B. W. Couch, counsel American Mutual Alliance, sought an amendment to allow mutual casualty companies to write non-assessable policies provided they have \$200,000 surplus. The amendment was vigorously opposed on the basis that \$200,000 surplus was not adequate even for a stock casualty company.

Commissioner Rouillard, while neither opposing or favoring the bill, stated he would prefer to have action on the measure delayed until the next legislature, two years hence, for further study and he thought additional protection should be provided in the form of a guaranteed capital. Moreover, he warned against giving control of mutuals to holders of the guaranty capital.

J. P. Williams Heads Factory Mutual Unit in Philadelphia

John R. Williams, director of the Electric Storage Battery Company of Philadelphia, has been elected president of Philadelphia Manufacturers Mutual, one of the factory mutual companies. He takes the place left vacant by the death of Ralph E. Manning. L. G. Griffin, formerly vice-president and engineer, has been elected executive vice-president and treasurer.

Mr. Manning died unexpectedly at the age of 54. Burial was at Malden, Mass. He had been with the factory mutuals since 1911. For a good many years he was manager of the inspection department in Chicago and about six years ago went with Philadelphia Manufacturers Mutual.

N. E. Advisory Board Sets Convention June 25-27

The New England Advisory Board of the New England Association of Insurance Agents has decided to hold its annual convention June 25-27 at the Griswold Hotel, New London, Conn.

There will be a get-together dinner June 25 and morning sessions June 26 and 27, according to Paul H. Taylor, New Haven, secretary.

The group includes the Maine, New Hampshire, Vermont, Massachusetts, Rhode Island and Connecticut associations.

Mass. Women Meet March 12

The Massachusetts Association of Insurance Women will hold a state-wide meeting in Springfield March 12. H. R. Preston, president Associated Agents & Brokers; F. R. A. McGlynn, president Massachusetts Association of Insurance Agents, and E. S. Oppenheimer, manager of Associated Agents & Brokers, will speak.

J. C. Elliott Makes Change

John C. Elliott, for many years general agent of the Penn Mutual Life in Newark, has become president of Elliott & Fredrichs, general insurance agency at Westfield, N. J.

W. B. Elliott, Jr., former president of the agency, has been elected chairman of the board.

Commissioners Confer in Boston

BOSTON—Current developments in insurance legislation and supervision, with particular reference to problems affecting the New England area, were discussed here at a commissioners conference attended by Francis, Maine; Rouillard, New Hampshire; Harrington, Massachusetts; Morin, Rhode Island and Blackall, Connecticut. Superintendent LaFrance of Quebec was a visitor.

CANADIAN

Ontario Collision Rates Up: Protest Quebec Raise

TORONTO — Collision insurance rates on private automobiles in Ontario will be increased .7 to 1 percent in March and on commercial trucks 1 percent.

It is expected that automobile fire insurance for Toronto and surrounding territory will be slightly lower while public liability and property damage rates will remain at current levels.

Object to Quebec Increase

The 10 to 20 percent increase in Quebec automobile liability and property damage rates has stirred up considerable protest with the suggestion that the provincial government take action to counteract the increase announced by the Canadian Underwriters Association. The "Financial Times" ran a front page editorial strenuously attacking the rate increase.

Brokers' Educational Course

MONTREAL—The Province of Quebec Insurance Brokers Association has inaugurated an educational course for members as the first step in what it is hoped will develop into an effective agency qualification plan. It will be handled chiefly by a correspondence course for the present. Later on, it is expected non-members will be permitted to take the course at a higher fee than members.

New Hampshire Names Sheffield

R. K. Sheffield has been appointed inspector of the New Hampshire and Granite State Fire for Ontario outside Toronto.

MARINE

Stagger Payment Plan Is Being Used

Companies which are members of the Inland Marine Underwriters Association now are using the "stagger" or "budget" plan of premium payment which gives the effect of 2½ annual premiums on a three year term policy without requiring so much cash payment. The I. M. U. A. rules require that when three year term policies are written the full 2½ years' premiums be collected in advance.

The stagger method has been used in fire insurance for some time. After an initial period during which the assured has to make a greater outlay than an annual premium each year, he secures the benefit of paying each year only one-third of the three year cost.

This is accomplished through use of a well known marine practice of issuing percentage interest policies, or, policies each of which covers only a part of the risk.

How Stagger Plan Operates

In practice, the total coverage usually is divided equally in three policies. The first is written for one year term for one-third of the annual premium rate. The second is written for two year term at short rate of the three year term rate, or 70 percent. The third policy is a regular three year term policy.

When the first policy expires a new three year policy is written to take its place, and the same is done the second and third years when the other two policies expire.

The result is that for three years' coverage the assured has paid premiums totaling 2½ annual premiums.

On a \$3,000 policy with \$100 annual

premium, for example, each policy would be written for \$1,000, the premium on the one year contract being \$33.33, on the two year policy \$58.33, and on the three year policy \$83.33, or a total of \$175 required when the policies are issued, as compared with \$100 for the same amount of coverage for one year.

However, the second year he has to pay only \$83.33, and the same amount each year thereafter to put in effect a three year term contract.

Fixes Minimum Premium

The I. M. U. A. did not approve this plan officially. Instead, it bulletined members that if the plan is used there must be charged on each policy in a percentage interest that proportion of the minimum premium. Thus in the case of the personal property floater, on which the stagger plan is being primarily used, if one-third policies are issued, the minimum premium required on the one year policy is one-third of the minimum annual premium on the two year policy, one third of 70 percent of the three year rate, and on the three-year policy, one-third of the prescribed three-year premium.

Minor changes have been made in rules governing the personal property floater. The additional coverage on money now carries an extra premium of 3 percent as against 3½ percent, this being available as before up to \$250.

The old endorsement covered only burglary and holdup, but the new clause in addition covers accidental destruction, robbery, theft or larceny while on premises occupied or rented by the assured and while elsewhere, holdup, in line with the basic policy conditions.

Credit may not be allowed for existing personal property floaters. A suggested form of deductible clause for \$25 and \$15 deductible policies was bulletined to members.

Inland Marine Pointers in Agency Publications

The house organs of two prominent agencies contain inland marine suggestions which should be of general interest.

The Laclede agency of St. Louis, of which Arthur F. Felker is president, discusses the application of the personal property floater to army and naval officers. This is an important consideration in view of the number of national guard and reserve officers being called into active service. The "Laclede Agency News" states that the government service floater offered by various companies is, in its opinion, so hedged with limitations that it is not to be recommended and that the broader personal property floater is no more expensive in comparable amounts.

The article points out that the personal property floater excludes any loss or damage arising out of war, whether declared or not. Another important point to be considered is the exclusion of property pertaining to the business, profession or occupation of the assured. It says that the agency has had expressions of opinion from some companies interpreting the exclusion as not applying to uniforms and personal equipment of members of the services, but there is doubt as to what equipment will be considered personal and what otherwise. An army officer must furnish clothing costing \$300 or more and must have various items of personal equipment such as belts, pistol, field glasses, technical equipment, etc. Some officers own this and others have government property for which they are responsible and must pay if they cannot account for it. It is the opinion of the Laclede

agency that the personal property floater should cover articles of personal equipment which the officer owns or for which he is responsible.

The "Eureka-Security News" of the Eureka-Security agency of Cincinnati points out that the retail value of diamonds has increased from 300 percent to 500 percent in the past year. It suggests that clients with jewelry scheduled under personal property floaters or jewelry floaters be urged to have their stones reappraised. This will probably result in additional premium and will protect the solicitor from having a client dissatisfied should a loss be settled at a figure below the replacement cost of his jewelry. The increase is caused by difficulties of importation from Holland and also the additional cost of diamond processing in the United States because of the scarcity of skilled labor in this field.

Arthur M. O'Connell is manager of the Eureka-Security agency.

Fellows Joins Neare, Gibbs

Roy Fellows, marine surveyor in Chicago and New York for some time, has joined the Neare, Gibbs organization of Cincinnati. He succeeds Burke Smith of Louisville, who is lieutenant commander in the navy, department of materials, and has been called for active duty. Fellows will remain in Chicago for a short time and will probably move to Cincinnati.

Personal Property Floater in La.

NEW ORLEANS—The personal property floater has been authorized in Louisiana, effective March 1. It may cover in the assured's residence, but the full fire and windstorm rate for each residence in Louisiana must be charged, plus a loading. A rate verification slip must be filed with the Louisiana Rating & Fire Prevention Bureau for each residence in which property covered by the policy is located.

MOTOR

Find Kansas Auto Dealers Are Entitled to License

The special conference committee of the Kansas Association of Insurance Agents is considering possible legislation to require adequate training and experience on the part of persons desiring an agent's license. The question is of immediate interest in Kansas because of the fact that Motors Insurance Corporation has appointed numerous automobile dealers as agents. The Kansas agents committee has come to the conclusion that under the present laws the insurance commissioner has no recourse other than to issue a license to an automobile dealer both for the purpose of arranging insurance on automobile or property in which he has a financial interest.

Too often time is spent with men who cannot buy could more profitably be spent with those who would be quite apt to buy.

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Annual Figures in Tabloid

(CONTINUED FROM PAGE 34)

\$515,558; capital, \$200,000; surplus, \$551,850; inc., \$71,249. Experience:

	Net Prems.	Losses Pd.
Accident	25,326	4,517
Auto liability	531,865	138,262
Other liability	32,507	2,197
Plate glass	9,235	3,485
Burglary and theft	10,294	2,052
Auto prop. damage	212,043	102,747
Other P. D. and coll.	1,555	48

Total

\$ 822,827 \$ 253,312

Old Line Auto. Insurers—Assets, \$67,650; inc., \$12,805; unearned prem., \$12,913; loss res., \$2,063; liab. res., \$3,700; surplus, \$39,713; inc., \$7,497. Experience:

	Net Prems.	Losses Pd.
Auto fire	593	207
Auto theft	648	191
Auto liability	19,419	4,366
Auto prop. damage	11,775	2,451
Auto collision	8,233	4,486
Other auto	2,143	254

Total

\$ 42,812 \$ 11,955

Order of Railway Employees—Assets, \$804,911; inc., \$73,774; unearned prem., \$2,783; loss res., \$101,601; emergency reserve fund, \$300,000; surplus, \$302,300. Experience:

	Net Prems.	Losses Pd.
Accident & Health	540,196	287,114

Pioneer, Neb.—Assets, \$697,537; inc., \$23,743; unearned prem., \$39,741; loss res., \$1,506; capital, \$150,000; surplus, \$260,649; inc., \$16,374. Experience:

	Net Prems.	Losses Pd.
Accident and health	74,198	23,400

Phoenix Indemnity—Assets, \$3,654,191; inc., \$563,266; unearned prem., \$1,791,617; loss res., \$149,147; liab. res., \$1,624,521; comp. res., \$940,098; capital, \$1,100,000; surplus, \$2,628,936; inc., \$333,912. Experience:

	Net Prems.	Losses Pd.
Accident	222,481	81,100
Health	22,785	9,094
Water damage	1,867	745
Auto liability	1,047,451	383,108
Other liability	713,961	169,420
Workmen's comp.	971,031	441,592
Surety	1,731	.....
Plate glass	105,625	48,155
Burglary and theft	206,280	40,029
Steam boiler	69,981	6,769
Engine and mach.	6,986	2,482
Auto prop. damage	325,327	144,939
Auto collision	8,031	5,851
Other P. D. and coll.	29,253	4,331

Total

\$3,732,797 \$1,337,621

Reliable Life—Assets, \$1,248,818; inc., \$333,986; capital, \$150,000; surplus, \$171,524; inc., \$36,588. Experience:

	Net Prems.	Losses Pd.
Accident and health	695,086	308,783

U. S. F. & G.—Assets, \$62,317,879; inc., \$4,278,964; unearned prem., \$15,599,907; loss res., \$6,517,517; liab. res., \$9,192,210; comp. res., \$7,887,989; non-can. A. & H. res., \$11,897; capital, \$2,000,000; surplus, \$15,287,758; inc., \$2,497,935. Experience:

	Net Prems.	Losses Pd.
Accident	977,974	341,393
Health	196,212	137,391
Non-can. H. & A.	3,710	3,368
Auto liability	6,657,809	2,754,413
Other liability	5,301,734	1,542,630
Workmen's comp.	7,521,327	3,797,404
Fidelity	3,710,433	942,765
Surety	5,172,640	836,508
Plate glass	519,929	231,389
Burglary and theft	1,575,137	321,579
Auto prop. damage	1,902,859	920,809
Auto collision	352,572	152,431
Other P. D. and Coll.	462,594	106,850
Water damage	12,357	4,944

Total

\$34,367,287 \$12,093,872

U. S. Mutual Liability—Assets, \$529,166; dec., \$24,027; unearned prem., \$11,564; liab. res., \$29,456; comp. res., \$225,162; surplus, \$259,784; dec., \$456. Experience:

	Net Prems.	Losses Pd.
Auto liability	21,575	6,259
Other liability	252	.....
Workmen's comp.	130,344	75,042

Total

\$ 152,171 \$ 81,301

Southern Fidelity Mut.—Assets, \$68,517; dec., \$360; unearned prem., \$5,642;

loss res., \$1,911; surplus, \$19,901; inc., \$536. Experience:

	Net Prems.	Losses Pd.
Accident	196	.....
Health	10,999	4,503
Fidelity	8,222	1,417
Surety	3,464	3,102

Total

\$ 22,882 \$ 9,022

State Automobile, Ia.—Assets, \$4,334,608; inc., \$227,316; unearned prem., \$610,153; loss res., \$74,231; liab. res., \$381,303; surplus, \$223,255; inc., \$94,795. Experience:

	Net Prems.	Losses Pd.
Auto medical	29,708	3,064
Auto liability	646,815	223,328
Auto prop. damage	322,748	108,776
Auto collision	212,922	98,294
Other auto	440,939	144,207

Total

\$1,653,132 \$ 577,669

Texas Indemnity—Assets, \$1,083,798; inc., \$80,291; unearned prem., \$64,355; comp. res., \$400,194; capital, \$300,000; surplus, \$46,061; inc., \$5,807. Experience:

	Net Prems.	Losses Pd.
Workmen's comp.	530,513	254,690
Surety	5	.....

Total

\$ 530,518 \$ 254,690

Washington Mutual, D. C.—Assets, \$155,990; dec., \$21,318; unearned prem., \$19,728; loss res., \$7,731; liab. res., \$68,023; surplus, \$50,114; dec., \$7,462. Experience:

	Net Prems.	Losses Pd.
Auto liability	117,617	69,513
Auto prop. damage	77,750	25,847
Auto collision	812	1,160
Other auto	472	102

Total

\$ 196,651 \$ 96,622

Western Surety—Assets, \$1,521,481; inc., \$51,945; unearned prem., \$271,950; loss res., \$206,750; comp. res., \$163,255; capital, \$300,000; surplus, \$468,048; dec., \$29,863. Experience:

	Net Prems.	Losses Pd.
Workmen's comp.	120,273	56,249
Fidelity	92,283	13,080
Surety	227,893	3,405

Total

\$ 440,449 \$ 72,734

Wisconsin Accident & Health—Assets, \$43,049; inc., \$2,414; unearned prem., \$4,643; loss res., \$2,275; capital, \$25,000; surplus, \$9,935; inc., \$1,884. Experience:

	Net Prems.	Losses Pd.
Accident and health	50,345	19,548

Wolverine—Assets, \$1,636,625; inc., \$130,311; unearned prem., \$589,880; loss res., \$85,627; liab. res., \$401,375; capital, \$200,000; surplus, \$242,365; inc., \$11,383. Experience:

	Net Prems.	Losses Pd.
Accident	37,624	6,466
Auto liability	562,474	246,806
Auto prop. damage	239,031	112,547
Auto collision	425,888	241,319
Other auto	227,178	68,822

Total

\$1,492,196 \$ 675,961

Zurich—Assets, \$35,484,643; inc., \$2,720,186; unearned prem., \$5,592,241; loss res., \$739,435; liab. res., \$7,273,505; comp. res., \$6,308,120; capital, \$600,000; surplus, \$10,392,803; inc., \$1,848,783. Experience:

	Net Prems.	Losses Pd.
Accident	606,997	243,631
Health	1,184,952	719,833
Auto liability	3,986,500	1,688,298
Other liability	2,352,230	703,005
Workmen's comp.	4,729,370	2,389,363
Plate glass	158,236	80,526
Burglary and theft	407,692	106,180
Auto prop. damage	692,043	311,097
Auto collision	11,443	4,182
Other P. D. and coll.	145,759	26,644

Total

\$14,275,222 \$6,272,759

Industrial Hygiene Conference

An Institute of Industrial Medicine & Industrial Hygiene is to be held in Pittsburgh May 5-9 sponsored by the American Association of Industrial Physicians & Surgeons and the American Industrial Hygiene Association. W. A. Cook, Zurich, is president of the latter group. A number of papers will be presented covering protection and prevention of occupational diseases.

Forum on Comprehensive

(CONTINUED FROM PAGE 23)

in that the comprehensive coverage of products takes care of accidents occurring within the policy period from work done prior to the policy inception, and that is very, very important to contractors. All of you who have been in the business for some time know that contractors have been fighting for years to get maintenance coverage. The completed operations coverage in the product portion of the comprehensive policy gives you that maintenance coverage.

CHAIRMAN O'CONNOR: Suppose the insured doesn't want product liability insurance and you can't sell him on it, in spite of your best efforts, but he is selling considerable of his product to one store or chain which demands product liability insurance on that portion. Mr. Hofmeister, can you give him limited product cover in such a case?

MR. HOFMEISTER: There is nothing in the rules that says you cannot, but as an underwriter, I don't believe I would like to do so.

PREMIUM RULES

CHAIRMAN O'CONNOR: Mr. Bremer, how do you determine the premium for the comprehensive general liability form?

MR. BREMER: The premium on the comprehensive general liability form is arrived at by tabulating the premiums respectively applicable to the several individual types of coverages which constitute the basic comprehensive policy, namely, the owners, landlords and tenants exposure, the manufacturers and contractors exposure, the elevators, teams, the contractual, product, as well as protective. Tabulating the aggregates in those various departments will give us the starting point for the comprehensive policy premium. To that we add the 1 percent charge, which is subject to minimums of \$10 for bodily injury and \$5 for property damage, both for standard limits. Now, then, the \$100 for bodily injury and the \$50 for property damage, which are referred to in the rules as minimum premiums applicable, are the irreducible minimum minimums for which a policy may be written, the actual minimums for the policy become larger should the aggregate of the minimums of several coverages which constitute the comprehensive policy, along with the comprehensive coverage charge of 1 percent, subject to its own minimums, be greater than the minimums of \$100 and \$50, respectively.

OPEN QUESTIONS

MR. BURRIDGE: At this stage, gentlemen, we would like to invite further questions from the floor. I suppose all of you have noticed that this man asks that man a question and then that man has the exact, pat answer. That is because these fellows have all rehearsed this act.

CHAIRMAN O'CONNOR: We deny it.

MR. BURRIDGE: Now, we would like to have some questions that they probably can't answer.

Question of "Accident"

GEORGE GEHRKE (Moore, Case, Lyman & Hubbard): I would like to ask Mr. Bremer a question, in connection with product liability coverage. Does the insuring clause cover liability only if the injury is caused by accident?

MR. BREMER: You have something there. I think that, insofar as the insuring clause referring to "caused by accident" is concerned, where we are at the same time dealing with product liability coverage we must there consider the basis upon which a user or consumer of a product may base his claim for injury done him, or alleged to have

been done him, by that product. There is an implied warranty of fitness with respect to products, the responsibility for which the manufacturer or seller may not readily escape. In some jurisdictions it also is coupled with a privity of contract which means that the particular product is sold to a particular person for his use, and if that same product is used by someone other than to whom it was sold in the first instance for personal use, he would not have that relationship to the seller or the manufacturer as would entitle him to recovery.

Now, insofar as "caused by accident" is concerned, where we are covering product liability, I have always felt—and I suppose there will be those who disagree—that there is a slight deviation or an incompatibility between the two; but since we have definitely agreed to assume the liability imposed by law and are receiving a specific premium charge for covering the liability of an insured in connection with products, we must consider that to be within the coverage of the policy.

J. J. FALVEY (Chicago agent): What about catering away from the premises?

CHAIRMAN O'CONNOR: Mr. Hofmeister, would you take one? Mr. Falvey asks whether catering away from the premises would be covered.

MR. HOFMEISTER: Yes; it isn't excluded.

Malpractice Question

MR. FALVEY: What about physicians on the premises?

MR. HOFMEISTER: You are asking a question which Mr. Rall explained a few minutes ago, whether malpractice is caused by accident.

MR. FALVEY: Let's take a manufacturing plant or a hotel with a physician in the house. The physician doesn't carry any liability insurance himself. What about him?

CHAIRMAN O'CONNOR: The question is whether any liability of the insured, either a manufacturing plant or a hotel, for real or alleged malpractice by a house physician or industrial physician would be covered. Mr. McSweeney, I nominate you for that one.

MR. MCSWEENEY: Only to the extent that the injuries are "accidental," as Mr. Rall explained. The insured would need an endorsement for unquestionable coverage of a situation like this.

MR. FALVEY: What about signs off the premises?

CHAIRMAN O'CONNOR: Mr. Kemble, will you answer that question?

MR. KEMBLE: Yes, they would be covered.

MR. FALVEY: Road signs?

MR. KEMBLE: There is no exclusion in regard to signs.

Minimum Premiums

C. G. WURTH (Aetna Casualty): I have one that refers to a case like this. I wrote a policy for \$25/50,000 limits. Included in that policy was manufacturers, contractors, O. L. and T., elevator, and independent contractor coverage. The premium amounted to \$96. How much would you add for the comprehensive coverage on that policy?

CHAIRMAN O'CONNOR: This is a general liability policy, Mr. Wirth?

MR. WURTH: Right.

CHAIRMAN O'CONNOR: Mr. Ollmert, you might answer your colleague's question.

MR. OLLMERT: The question is on the general liability line and mine is automobile.

CHAIRMAN O'CONNOR: Mr. Bremer, will you answer?

MR. BREMER: As I see it, the gentleman has a problem there involving the minimum premium (irreducible minimum) and the limits. The \$100 minimum, increased for the limits, would be the basis on which that particular risk would be insured. On the

assumption, as was implied before, that you might alter the minimums in extreme cases; that is something on which I feel rather strongly at the moment, not to prevent any one buying insurance as cheaply as possible, but because we are entering upon a rather new field and a certain period of testing and trying should be allowed before we tamper with the minimums which the committees that have set them up felt were reasonable. Now, it is quite possible that these minimums and these charges for comprehensive insurance, these 1 percent charges, may change rather suddenly, much sooner than we look for now, but remember that we are trying something new, so let's not get too radical all at once.

Increased Limits

MR. WURTH: I don't believe you got my question. We have a case of \$5/10,000 limits, say, with a \$90 actual premium, without any comprehensive coverage. Is it permissible to add the \$10 to make it \$100?

MR. BREMER: Sure. I was under the impression you mentioned \$25/50,000 limits, with the premium amounting to \$96.

MR. WURTH: We have a case with \$25/50,000 limits and the premium comes out \$96. Now, what do we add on there?

MR. BREMER: I would say you increase your comprehensive policy minimum to bring it up to the \$25/50,000 limits, and that becomes the minimum.

MR. WURTH: Can we add \$12.50 to that and make it \$108.50?

MR. BREMER: No. Increase the \$10 premium by the limits table applicable to the comprehensive insurance minimum, and, in turn, the comprehensive policy minimum.

MR. WURTH: The comprehensive minimum is only \$100.

MR. BREMER: No, I mean the minimum which the manual applies to what it calls comprehensive insurance, that 1 percent charge.

Maybe I am not getting this point. I assume the \$96 worth of miscellaneous liability is the complete premium for \$25/50,000 limits. In your case, take your \$96 premium and test for applicable minimums.

What Is Minimum?

MR. HOFMEISTER: Wouldn't your \$100 minimum, increased for limits, apply, \$120?

MR. BREMER: Not necessarily, because that \$100 minimum is the irreducible minimum, merely the smallest premium for which a policy may be issued, and that is subject to increase according to the limits for which the policy is issued. But that minimum might be greater than \$100 for standard limits if the aggregates of the minimum premiums for the various miscellaneous liability coverages when added to the \$10 for the comprehensive insurance were greater than \$100 for standard limits.

MR. FALVEY: How about additional insureds under the policy?

CHAIRMAN O'CONNOR: Mr. Falvey wants to know if there is an additional premium for including additional insureds.

MR. KEMBLE: That depends entirely on the reason for adding additional insureds.

MR. FALVEY: Agency reasons?

MR. KEMBLE: I wouldn't say so.

Industrial Athletics

MR. FALVEY: What about athletic events?

CHAIRMAN O'CONNOR: Mr. Falvey wants to know about athletic events sponsored by the insured. Is there an additional premium for that?

MR. KEMBLE: That depends mostly on what the manual rule is going to be. At the moment I think the situation is a little confusing. I think eventually there may not be a charge for athletic events but it will be included as far as the insured's premises are concerned. If he goes in for it in a big way and has teams traveling all

over the country, I think in all probability we will have to make a charge.

MR. FALVEY: Well, manufacturing concerns might have semi-pro basketball teams or softball teams.

MR. KEMBLE: I don't see that that has anything to do with the coverage of the policy at all. It is just a question of manual premium.

CHAIRMAN O'CONNOR: Gentlemen, we promised the Chicago Board that we would be out of here very promptly and our discussion would be confined to one hour, so I regretfully have to call the meeting to a close. We certainly appreciate your coming here and we are deeply grateful for your participation in the discussion.

Move to Break Grip of Mutuals

(CONTINUED FROM PAGE 23)

ment of cost when the work is being done on that basis and it has issued rulings that in arriving at insurance costs, the contractor may take into account the dividend record of mutual companies. As a practical matter, that means that the contractor figures the net cost of mutual insurance on an ex-dividend basis. No matter what rates are quoted by the stock companies if the mutuals charged the same rates, the mutuals are low and get the business. The stock companies have found that no matter how low they go on their rates in open states through the equity rating procedure, the mutuals follow with the same low bid and there seems to be no point at which the stock companies can undercut the mutuals.

Helpless in Closed States

In strictly regulated states, the stock companies have been completely helpless. In open states agents and brokers have been willing to sacrifice almost their entire commission in an effort to get stock company rates that would land the business but they have been unsuccessful. In one case, a broker agreed to forgive his entire commission and permit his company to eliminate the commission factor entirely in making its bid. He agreed to accept only a contingent commission if the experience should prove to be exceptionally good. But even there, the mutual bid, ex-dividend, was low and the mutual got the business.

Some of the stock company underwriters feel that it is just as well that the mutuals get the business at the rates that are prevailing. The pressure for speed in the defense work plus the fact that much inexperienced help is being employed creates special hazards, the underwriters theorize, and then a good many of the risks are located at points that are distant from service headquarters. There are no hospitals in the vicinity of some of these risks and the service cost would be unusually high. Most of the business at issue consists of construction of barracks and camps, proving grounds and airports.

Strong Measures Demanded

This problem in connection with defense work is causing stock company executives to focus more intently than ever on the question of mutual competition. There is a growing feeling that unless strong measures are taken, the time is coming when the stock companies will be squeezed out of the compensation picture; mutuals will have all the business they want, while the business the stock companies do have will be of such poor quality they can't handle it even as an accommodation line.

Some method of meeting the problem is definitely going to be worked out, if the temper of executives today is truly gauged, although there seems to be little chance of stock companies getting anything in connection with defense projects.

A special department to handle compensation business on a participating

basis is a possible course. Also introduction of a system of graduated commissions according to size is being strongly advocated. On that basis, some believe the stock companies could go out and really give mutuals a run for their money. It is likely that the time is close at hand for taking drastic action.

Instructions to Contractors

On defense projects constructed on a cost-plus basis, the contractor is instructed by the government to obtain insurance bids from four agents, two mutual and two stock companies. These sealed bids are then sent to the quartermaster general and the award made to the low bidder.

The matter of making a deviation in rates on these major projects of 20 percent, by the stock companies, it is understood, has been informally discussed with the commissioners. However, there is no assurance that were such an exception made in case of the defense projects that the mutual companies might take the deviated rate as a base and continue to offer a dividend. Another objection is that contractors on these projects getting such preferential treatment might demand the same concession on other business in the future, whether connected with national defense or not. The effect of any such action for the future must be considered.

On some of the larger projects in the middle east, in the south and on the Pacific Coast the compensation premium alone runs from \$100,000 to \$300,000.

If any deviation in rates is offered by the stock companies there is talk that the commission to the agent will be reduced, possibly in the ratio of 33 to 65.

The idea of deviation in rates for defense work recalls the row in the fire insurance business over the 25 per-

(CONTINUED ON LAST PAGE)

Michigan Agents Gather in Lansing

(CONTINUED FROM PAGE 3)

picture of the agency's financial position at all times and collections should "receive constant, diplomatic and courageous attention" as no policy is "sold until it is paid for."

A "true or false" quiz was conducted with prizes going to Vernon Sharp, Battle Creek, who stood first with 27 correct answers out of 30; C. E. L. Burwell, Grinnell-Row agency, Grand Rapids; P. J. Braun, Flint; P. D. Worgess, Battle Creek, and Dan Lazelle, Pontiac.

A suggestion by Ed Quick, Muskegon agent, that the association create an aviation study committee, was taken under advisement.

At an executive committee meeting Lloyd Krueger, Niles, was added to the group to fill a vacancy created by the resignation of P. H. Lovell, Benton Harbor.

Standing committees held meetings following a get-together dinner attended by many field men. Commissioner Berry and several other department officials attended.

Message from Governor

Governor Van Wagoner, in addressing the luncheon meeting, spoke in a vein that was highly acceptable to the group. He recalled that just about a year ago he addressed the same organization in his capacity of state highway commissioner. He pointed out that his father was in the insurance business and that a brother is also an insurance man. He said he is sure that he can count on the support of the insurance people for proposals that he has made to the legislature to increase safety in the factories and on the highways and to strengthen state public health work.

The chief need in the insurance department is for additional appropriation

W. J. Greer, Former Eastern Manager of F. C. A. B. Dies

W. J. Greer, 72, formerly general manager eastern department Fire Companies Adjustment Bureau, died at his home in Montclair, N. J. From 1894 to 1900 he was special agent in Minnesota and the Dakotas for New York Underwriters, following which he joined the Western Adjustment in Chicago. From 1902 to 1905 he was general adjuster of the Norwich Union Fire and then returned to the Western Adjustment as assistant general manager in 1906. He was called to New York to organize the General Adjustment Bureau, of which he served as vice-president and general manager until its absorption by the F. C. A. B., of which he became eastern division manager. He retired several years ago.

New Great American Specials

B. E. Jump and R. H. Crowe have been appointed special agents of the Great American Indemnity, working out of the service office at Columbus, O., under direction of A. A. Edwards, field supervisor. The office services Ohio, Kentucky and Tennessee. Mr. Jump's activities will be devoted largely to Ohio. He entered the casualty and surety field following graduation from Michigan College in 1929. Mr. Crowe was previously with the Great American in Louisiana as payroll auditor and inspector. After a preliminary training in Columbus he will be assigned to Kentucky and Tennessee.

so that the man power can be increased and some of the activities departmentalized. All of the expenses of this expansion, he said, can be covered by the present revenues from licenses and fees assessed against agents and it would not be necessary to reach the taxes paid by insurance companies.

New Form Fills Gap

Business interruption form 195 and the contribution form ease the danger of the insured being penalized under the unemployment compensation insurance acts because they afford a means of insuring payroll, thereby protecting the insured against increase in tax rates, according to H. R. Thiemeyer, brokerage and service department North America, Chicago.

Interruption by civil authorities is something new in business interruption insurance and should appeal to merchants, Mr. Thiemeyer stated. The coverage fills a gap since liability under other U.O. forms is limited to loss due to damage to described premises. The new coverage is granted for not more than two weeks while access to the insured's premises is prohibited due to a fire in the vicinity.

Because the partial suspension clause in daily, weekly and seasonal types of form cause considerable controversy, Mr. Thiemeyer suggested use of the more flexible contribution form for manufacturing risks, and business interruption for mercantile and non-manufacturing classes.

Davis on Creative Selling

The opportunity for creative selling today with the many casualty and surety coverages available offers far greater profit to agents than competitive "dog fights" for business already on the books, said Roy L. Davis, manager of the Chicago office of the Association of Casualty & Surety Executives, while speaking at the mid-year conference of the Michigan Association of Insurance Agents. Agents should devote their energy to these great untapped fields, for the saturation point for casualty insurance is far in the distance, Mr. Davis said.

Creative selling will require study and

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application on the part of the agent and will test salesmanship ability by sharpening his wits and resourcefulness. In the end, however, it will also add commissions and place new clients on his books.

The salesman, not the insurance business, is on trial today, Mr. Davis continued. Stock casualty and surety companies are on a firmer financial basis than ever before, and they are geared to meet the underwriting gains of a nation rapidly arming for national defense. The increase in premium volume in the next year from the variety of casualty and surety lines will be shared by the more aggressive and intelligent agents. The companies have provided policies comprehensive in scope and attuned with the times.

The public looks to the agent, listens to his stories, and judges the insurance business by what he tells and the kind of service he renders. The salesman personifies to the public the insurance business. Upon his behavior, attitude, intelligent underwriting and adjustment of claims depends the future of this business.

Annual Rally State Farm Group Is Largest Ever

(CONTINUED FROM PAGE 25)

technique was worked out. Open faced filing cabinets are used that result in considerable economies.

One of the traditions is that the annual statement figures are released for the first time at the convention. This year the figures were revealed in the talk given by A. H. Rust, executive vice-president and treasurer of State Farm Mutual Automobile and president of State Farm Life. One of the interesting competitive situations in the business has been the rivalry insofar as automobile premium volume is concerned between the State Farm and Lumbermen's Mutual Casualty of Chicago.

Mr. Rust recalled that last year he predicted that in 1940 the State Farm Mutual Automobile would have the largest automobile premium volume of any casualty company in the business. He said that his prediction has been fulfilled, since the premium income for 1940 was \$18,106,385, a gain of \$2,850,955 or 18.9 percent. That was the greatest increase in dollars of premium volume of any year. That puts State Farm Mutual ahead of Lumbermen's Mutual Casualty. In comparing the figures of the two companies there is always a considerable argument. State Farm Mutual is a full cover automobile company and writes automobile fire, theft and collision and comprehensive in addition to the third party line. Lumbermen's Mutual Casualty writes only the third party lines and a small amount of collision. When this point is made, the State Farm people will say that their premiums are net, that except in a very few states there are no dividends to policyholders, whereas the premiums of Lumbermen's Mutual are before dividends, to which the Lumbermen's Mutual people would say that the results might be different if State Farm Mutual issued a dividend policy with a higher gross rate but State Farm Mutual sticks

to its statement that of all casualty companies in the country, in 1940 it wrote the largest volume of automobile premiums.

Mr. Rust reported that there was a profit from underwriting and investments of \$877,953. Surplus stands at \$5,892,222, a gain of \$627,953. Assets are \$21,490,934, an increase of about \$3,051,000. Premium reserve is \$5,168,482, a gain of \$443,989. Loss reserve is \$6,162,156, an increase of \$1,033,410. State Farm Fire premiums were \$728,214, an increase of more than 20 percent. Assets were \$868,234, premium reserve \$378,565 and surplus \$408,959, a slight decline.

Mr. Rust stated that the common stock portfolio of the automobile company has been increased in an endeavor to produce a better interest yield.

Mr. Rust referred to the fact that the North America has called a meeting of stockholders to amend the charter to permit the issuance of participating policies.

"This step by the oldest stock insurance company," Mr. Rust declared, "marks a new milestone in the history of American insurance, and points the way for the further development of the principles of mutuality in insurance. Such a trend has already taken place in the life insurance field where the vast majority of the companies are mutual or stock companies issuing policies upon a basis of policyholder participation. This is, however, the first instance of the conversion of one of the older and more successful stock fire insurance companies. This action by the Insurance Company of North America reflects the steadily increasing popularity of the principle of mutual and participating insurance."

Hard Work Wins Out

In referring to the question of stock and mutual competition, Mr. Rust said:

"We know that during the past few years, while stock companies have been seeking an easy means to divert the trend of automobile insurance business away from the mutual and participating companies through the development of new and occasionally fanciful rating plans, and in some cases even rate wars, the automobile business has continued to flow to the representatives that are willing and ready to go out and seek it. We know that the vast majority of automobile owners needing automobile insurance, have to be found where they are and that no amount of wishful thinking and planning will bring them into the office of the agent who is looking for them while his feet rest on the top of his desk."

Mr. Rust mentioned favorably the automobile medical payments endorsement which he stated is a good approach to the problem of the uncompensated victim of automobile accidents. It is understood that about 10 percent of the State Farm policies carry this endorsement.

In discussing "The Second Milepost," R. P. Mecherle, president State Farm Mutual, pointed out that the company's five-year program to get a million auto policies on the books now in its third year, was on schedule, and that January and February had shown a 50 percent increase over a year ago in automobile business.

While the companies' advertising will be increased this year by only two addi-

tional pages in the "Saturday Evening Post" and "Collier's" the company is spreading out its advertising over a whole year instead of making it seasonal as formerly, according to G. E. Mecherle, secretary State Farm Mutual. One of the reasons for the increase in January and February, 1941, in automobile business was the increase in advertising, according to Mr. Mecherle.

Others on the program were T. F. Campbell, secretary State Farm Fire "Preparedness Through Fire Insurance"; Landis Dehl, Illinois local agent, "Working a Multiple Line"; Morris G. Fuller, vice-president life, "What They Do"; J. H. Parsons, conservation director, "The Life Membership"; Mrs. June Goodman, Napa, Cal., "The Wife's Responsibility in Her Husband's Success"; and A. W. Tompkins, agency vice-president, "Marching Orders."

Multiple Line Program

The multiple line program offered by the State Farm companies gives agents the greatest opportunity as policyholders the greatest service, Chairman G. J. Mecherle told agents. He stressed the unlimited possibilities for agents who develop a well balanced program of production over the three lines of life, automobile and fire.

Referring to the companies' million policy campaign in the automobile field, Mr. Mecherle stated he had found after investigation of the difficult years in the past that in every instance "general line agencies were the most successful and felt the stress of the times the least of any agencies engaged in the business. Those who followed a distinct, special line found themselves in some measure of difficulty when the stormy days arrived."

"Collective thought and group thinking creates a community interest in any venture that makes for success," he said.

Big Fire in Chicago

An early morning fire Wednesday totally destroyed three buildings with contents at 162-68 West Lake street on the northwest corner of Chicago's loop district. Fire originated in the Jack Geiser Furniture Co., 166-8 West Lake, spread to the George Watson paint and furniture store at 164, and to 162, owned by C. F. Gray and housing M. R. Lome's office furniture company. Traffic was tied up while fire department equipment fought the blaze.

The Insurance Check Chart helps to detect hazards. Get a copy for 75 cents from National Underwriter.

EXPERIENCE

(CONTINUED FROM PAGE 10)

MERCHANTS' FIRE, COL.		
Fire	\$ 804,203	\$ 319,560
Tornado-windstorm ..	63,886	21,994
Sprinkler leakage ..	760	314
Riot and explosion ..	2,496	190
Earthquake	5,689	36
Motor vehicle	400,094	163,912
Inland marine	25,204	7,418
Extended coverage ..	80,418	17,928

MIDWESTERN F. & M.		
Motor vehicle	\$ 147,465	\$ 17,500

MILLERS NATIONAL		
Fire	\$2,368,274	\$ 888,341
Tornado-windstorm ..	120,371	48,125
Sprinkler leakage ..	4,392	2,648
Riot and explosion ..	4,261	293
Earthquake	3,910	.....
Motor vehicle	605,601	254,760
Inland marine	628,747	285,011
Use & occupancy ..	3,283	277
Extended coverage ..	183,896	38,199

NIAGARA FIRE		
Fire	\$ 3,773,959	\$1,372,542
Tornado-windstorm ..	90,751	24,041
Sprinkler leakage ..	21,510	7,752
Riot and explosion ..	27,794	1,242
Earthquake	14,267	1,400
Hall	62,965	8,698
Motor vehicle	558,219	236,050
Ocean marine .....	.....	291
Inland marine	170,488	88,902
Extended coverage ..	209,723	75,473

NEW YORK UNDERWRITERS		
Fire	\$ 761,737	\$ 306,114
Tornado-windstorm ..	23,399	12,527
Sprinkler leakage ..	3,989	2,412
Riot and explosion ..	5,722	253
Earthquake	1,089	.....
Hall	10,634	5,340
Motor vehicle	97,803	41,698
Ocean marine	488,565	167,025
Inland marine	15,471	4,444
Other lines	18	9
Extended coverage ..	43,473	16,810

NORTHERN, N. Y.		
Fire	\$3,311,113	\$1,321,501
Tornado-windstorm ..	178,034	111,732
Sprinkler leakage ..	7,865	2,932
Riot and explosion ..	11,622	877
Earthquake	6,182	.....
Motor vehicle	1,523,034	606,045
Inland marine	525	.....
Flood	849	.....
Extended coverage ..	249,362	59,804

NORTHWESTERN NATIONAL		
Fire	\$3,222,120	\$1,099,415
Tornado-windstorm ..	232,198	102,571
Sprinkler leakage ..	590	593
Riot and explosion ..	7,523	581
Earthquake	5,933	.....
Motor vehicle	754,815	285,456
Ocean marine	130,672	42,556
Inland marine	129,671	23,551
Extended coverage ..	336,993	63,227

NORWICH UNION FIRE		
Fire	\$2,039,238	\$ 810,091
Tornado-windstorm ..	65,912	36,247
Sprinkler leakage ..	8,525	4,470
Riot and explosion ..	19,795	1,785
Earthquake	9,869	.....
Hall	217	.....
Motor vehicle	175,814	66,495
Ocean marine	602,744	168,861
Inland marine	147,220	64,902
Aircraft	151	201
Extended coverage ..	135,772	41,996

(CONTINUED ON NEXT PAGE)

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(CONT'D FROM PRECEDING PAGE)

NEW HAMPSHIRE FIRE

Fire	\$3,407,229	\$1,336,617
Tornado-windstorm ..	82,991	55,523
Sprinkler leakage ..	7,555	2,772
Riot and explosion ..	12,535	7,271
Earthquake	687	.....
Motor vehicle	895,857	492,961
Ocean marine	79,829	16,918
Inland marine	320,505	199,788
Aircraft	57	.....
Extended coverage ..	216,025	62,175

NEW ZEALAND

Fire	\$272,322	\$175,116
Tornado-windstorm ..	281	2,261
Sprinkler leakage ..	147	238
Riot and explosion ..	246	318
Earthquake	3,940	.....
Motor vehicle	26,762	19,291
Ocean marine	129,256	42,536
Inland marine	8,003	2,634
Extended coverage ..	19,452	685

NORTHWESTERN F. & M.

Fire	\$395,955	\$161,919
Tornado-windstorm ..	28,735	12,732
Sprinkler leakage ..	1,272	523
Riot and explosion ..	2,186	74
Earthquake	521	.....
Hall	20,626	8,017
Motor vehicle	115,633	54,033
Ocean marine	152,677	44,491
Inland marine	30,891	14,457
Aircraft	847	307
Other lines	27,354	5,328

OHIO FARMERS

Fire	\$1,828,733	\$616,338
Tornado-windstorm ..	146,462	43,669
Sprinkler leakage ..	2,065	1,305
Riot and explosion ..	2,274	98
Earthquake	11,030	.....
Hall	184	.....
Motor vehicle	961,818	357,065
Ocean marine	23,521	4,622
Inland marine	163,770	16,474
Extended coverage

OHIO

Motor vehicle	\$437,447	\$108,980
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OLD COLONY

Fire	\$1,081,854	\$450,444
Tornado-windstorm ..	38,298	17,377
Sprinkler leakage ..	3,332	586
Riot and explosion ..	8,893	475
Earthquake	1,660	.....
Motor vehicle	186,826	86,426
Ocean marine	345,290	126,571
Inland marine	132,127	49,637
Aircraft	73	5
Other lines	2,367	800
Extended coverage ..	74,527	19,788

PACIFIC COAST FIRE

Fire	\$293,170	\$149,952
Tornado-windstorm ..	15,140	7,027
Sprinkler leakage ..	1,334	553
Riot and explosion ..	3,236	1,225
Earthquake	1,616	.....
Motor vehicle	40,228	22,198
Ocean marine	89,029	28,182
Inland marine	26,369	10,929
Extended coverage ..	19,168	4,231

PACIFIC NATIONAL

Fire	\$2,618,738	\$699,744
Tornado-windstorm ..	59,919	10,604
Sprinkler leakage ..	4,179	2,092
Riot and explosion ..	13,162	1,546
Earthquake	19,524	13
Hall	569	.....
Motor vehicle	1,366,417	1,621,845
Ocean marine	186	.....
Inland marine	299,903	129,575
Aircraft	85	5
Extended coverage ..	281,591	27,838

PALATINE

Fire	\$678,902	\$285,977
Tornado-windstorm ..	30,468	32,192
Sprinkler leakage ..	2,102	2,842
Riot and explosion ..	4,797	3,523
Earthquake	1,521	3
Hall	3	1
Motor vehicle	177,959	84,738
Ocean marine	29,309	10,548
Inland marine	53,042	194
Other lines .....	.....	.....

PENN LIBERTY

Fire	\$64,852	\$7,810
Tornado-Windstorm ..	273	27
Motor vehicle	2,438	458

PHILADELPHIA NATL.

Fire	\$331,089	\$127,657
Tornado-windstorm ..	10,708	5,499
Sprinkler leakage ..	1,349	577
Riot and explosion ..	2,868	1,463
Earthquake	1,337	1
Motor vehicle	281,656	122,687
Ocean marine	61,478	14,734
Inland marine	29,845	10,492
Aircraft	33	.....
Extended coverage ..	21,734	5,561

PREFERRED FIRE

Fire	\$120,310	\$92,552
Tornado-windstorm ..	17,366	10,132
Sprinkler leakage ..	31	237
Riot and explosion ..	2	76
Earthquake	81	.....
Hall	5,891	670
Motor vehicle	149,033	73,775
Ocean marine	2,050	545
Inland marine	31,223	8,350
Other lines .....	.....	.....

PROVIDENCE WASHINGTON

Fire	\$3,064,537	\$1,313,942
Tornado-windstorm ..	89,050	49,293
Sprinkler leakage ..	11,149	8,311
Riot and explosion ..	26,492	2,993
Earthquake	4,229	.....
Hall	72,927	42,621

Motor vehicle	972,902	422,279
Ocean marine	1,345,657	557,511
Inland marine	882,964	343,450
Aircraft and motor vehicle P. D. ..	245	91
Extended coverage ..	206,188	52,762

PRUDENTIAL FIRE

Reinsured 100% by Liverpool & London & Globe ..	.....	.....
Fire	\$4,121	\$91,646
Tornado-windstorm ..	29,197	23,571
Riot and explosion ..	94	43
Motor vehicle	48,760	28,993
Personal property ..	3,280	953
Other lines, farm ..	4,169	3,954

RELIANCE

Fire	\$529,743	\$205,604
Tornado-windstorm ..	17,134	8,799
Sprinkler leakage ..	2,159	923
Riot and explosion ..	4,590	2,341
Earthquake	2,140	1
Motor vehicle	450,649	196,239
Ocean marine	82,282	15,220
Inland marine	47,753	16,787
Aircraft	53	.....
Extended coverage ..	34,775	8,898

RELIABLE FIRE, O.

Fire	\$268,395	\$125,685
Tornado-windstorm ..	17,175	4,261
Sprinkler leakage ..	588	293
Riot and explosion ..	2,115	381
Earthquake	413	.....
Extended coverage ..	27,034	3,372

ROCHESTER AMERICAN

Fire	\$624,000	\$264,700
Tornado-windstorm ..	30,979	10,107
Sprinkler leakage ..	3,420	780
Riot and explosion ..	4,969	984
Earthquake	1,309	36
Hall	19,260	7,232
Motor vehicle	65,950	30,171
Inland marine	27,969	11,378
Aircraft	12,234	3,520
Other lines	40,276	9,672

ST. LOUIS F. & M.

Fire	\$270,402	\$78,608
Tornado-windstorm ..	19,241	7,934
Sprinkler leakage ..	256	.....
Riot and explosion ..	508	88
Earthquake	642	.....
Motor vehicle	229,694	81,681
Inland marine	1,694	839
Extended coverage ..	49,468	17,115
Explosion	39	96

SCOTTISH UNION & NATL.

Fire	\$2,188,046	\$883,442
Tornado-windstorm ..	67,276	45,529
Sprinkler leakage ..	7,422	2,645
Riot and explosion ..	18,537	2,971
Earthquake	7,377	.....
Motor vehicle	433,350	223,698
Inland marine	99,490	49,620
Aircraft	343	55
Extended coverage ..	153,702	52,505

SECURITY, NEW HAVEN

Fire	\$2,673,938	\$1,122,933
Tornado-windstorm ..	134,379	72,046
Sprinkler leakage ..	7,065	3,178
Riot and explosion ..	20,637	2,719
Earthquake	4,702	854
Motor vehicle	494,993	244,830
Ocean marine	802,553	237,160
Inland marine	227,981	91,018
Aircraft	15	15
Other lines	217,416	46,668

SECURITY FIRE, IA.

Fire	\$522,708	\$185,896
Tornado-windstorm ..	82,915	32,200
Sprinkler leakage ..	593	143
Earthquake	455	.....
Motor vehicle	70,554	17,092
Inland marine	29	4
Extended coverage ..	90,942	9,610

SERVICE FIRE, N. Y.

Motor vehicle	\$4,206,792	\$1,370,666
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SOUTH BRITISH

Fire	\$84,634	\$38,308
Tornado-windstorm ..	9	267
Sprinkler leakage ..	140	3
Riot and explosion ..	268	66
Earthquake	1,346	.....
Extended coverage ..	4,142	162

SOUTH CAROLINA

Fire	\$409,158	\$311,428
Tornado-windstorm ..	68,035	17,591
Sprinkler leakage ..	2,787	1,643
Riot and explosion ..	9,002	5,564
Earthquake	10,415	399
Motor vehicle	115,504	53,848
Inland marine	66,122	17,536
Aircraft	137	2
Extended coverage ..	47,497	4,874

TRANSPORTATION

Motor vehicle	\$157,003	\$77,838
Inland marine	55,153	14,136

TWIN CITY FIRE

Fire	\$217,410	\$96,056
Tornado-windstorm ..	6,560	2,501
Sprinkler leakage ..	760	66
Riot and explosion ..	1,252	9
Earthquake	87	.....
Hall	14,301	8,040
Motor vehicle	14,399	6,468
Ocean marine	45,803	13,347
Inland marine	3,923	1,818
Aircraft	106	39
Other lines	9,188	871

UNION & PHENIX ESPANOL

Fire	\$557,041	\$263,715
Tornado-windstorm ..	13,800	9,175
Sprinkler leakage ..	2,840	4,853
Riot and explosion ..	9,680	369
Earthquake	7,098	17
Motor vehicle	20,353	13,036
Inland marine	3,498	280
Aircraft	60	1
Extended coverage ..	30,200	.....

UNION, ENG.

Fire	\$697,428	\$293,763
Tornado-windstorm ..	31,300	33,080
Sprinkler leakage ..	2,158	865
Riot and explosion ..	4,920	3,605
Earthquake	1,558	3
Hall	3	1
Motor vehicle	182,887	87,085
Inland marine	29,318	10,548
Other lines	54,495	200

WASHINGTON F. & M.

Motor vehicle	\$128,738	\$20,998
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WESTERN FIRE

Fire	\$204,107	\$89,265
Tornado-windstorm ..	45,991	17,765
Sprinkler leakage ..	121	68
Riot and explosion ..	249	1,049
Earthquake	2	.....
Motor vehicle	586,314	220,104
Inland marine	17,308	2,158

ZURICH FIRE

Motor vehicle	\$619,393	\$281,083
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Business Schools Likely Prospects for U. & O. Cover

The possibilities for writing use and occupancy coverage for business schools and colleges throughout the country have come up for discussion. The business school field probably affords a much better opportunity for the sale of U. & O. than regular schools and colleges for the sale of tuition fees coverage. There has been little of the latter written. This may be because such institutions are endowed or get their money from a legislature, which makes their budgets pretty inflexible. In the case of a state university, for instance, the agent would have to sell the school authorities on the idea of tuition fees coverage, and then they would have to sell the legislature on the idea of something extra in the budget to cover premium.

On the other hand business schools, which are numerous and widely scattered are operated for profit, and the management probably is more keenly interested in any hazard that would tend to interrupt earnings.

For business schools the U. & O. straight contribution mercantile form is cheaper than the tuition fees insurance and would probably apply. Most business schools do not break down their courses into well defined semesters or terms as do ordinary colleges and universities. Students enter during the year. While the peak enrollment is in June and January, objective is to keep students coming in continuously and apparently schools with a good business are able to do this.

The tuition fees rate on a single building is the 80 percent coinsurance building rate. In some rating jurisdictions the 80 percent coinsurance U. & O. form may be written at 80 percent of the 80 percent coinsurance building rate. Assuming that the published building rate is \$1, the tuition fees rate would be 75 cents and the 80 percent coinsurance U. & O. form 60 cents. If the assured took 100 percent coinsurance under the U. & O. form then the rate would be 70 percent of the 80 percent coinsurance rate, or 52½ cents.

Auto Deviation Issue in Ark.

The executive committee of the Arkansas Association of Insurance Agents has taken up with General Agent W. G. Williamson the automobile deviation filing of Jersey of New York. Mr. Williamson informed the Arkansas agents' association that he intends to plant Jersey only with agents who are writing automobiles that are financed through banks and that the agent would receive 10 percent commission on this business. The executive committee of the association expressed opposition to that plan and the members of the asso-

ciation were polled on their attitude. Of the 147 replies, 138 were opposed to the plan, five favored it and four did not cast a vote.

At a subsequent meeting Mr. Williamson advised the executive committee that he intends to go ahead with the plan.

The Arkansas agents issued a statement: "We view with apprehension and even alarm the theory of writing insurance at a preferred rate upon a class of individual borrowers, with no relation to a classification of properties subject to insurance. We are unable to understand how a given class of citizens whose only qualification for preferential treatment is that they owe money, is entitled to be segregated for insurance rating purposes."

Stock Companies Seek to Break Mutuals Monopoly

(CONTINUED FROM PAGE 42)

cent payment to the HOLC by the Stock Company Association.

SPEEDY ACTION TAKEN

NEW YORK—At the National Bureau it was said it is undecided at present just what course will be taken in other closed states where defense contracts are involved. Theoretically it would be desirable to take up the matter at once in every state where defense contracts are at stake but it is physically impossible to do this and all that can be done is to consider first the states where the situation is the most critical.

Ordinarily the course would be to act through the National Council on Compensation Insurance but the Virginia filing was made through the National Bureau because of the shortness of the time.

When asked his opinion on rate deviations to prevent the stock companies from being frozen out of the defense contract field, Secretary W. H. Bennett of the National Association of Insurance Agents said that in general there is no reason why the government should be a preferred buyer but that it is not unreasonable that the stock companies and agents should make such a contribution to the defense program in view of the emergency. He said, however, that the stock companies should not have to go all the way in meeting the mutuals in a purely price competition and that it is unjustifiable for the government to demand it, for this attitude ignores the value of the agent's services.

Questions Government's Attitude

Mr. Bennett attacked the stand of the comptroller-general that insurance is the only item in these contracts which lends itself to the cutting of established prices. Far from specifying that contractors hire labor, for example, at lowest possible prices, Mr. Bennett pointed out, the government insists that the union scale be paid as a minimum.

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